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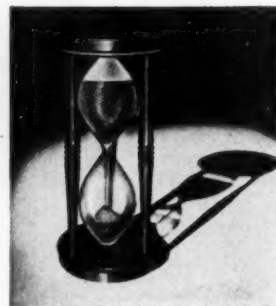
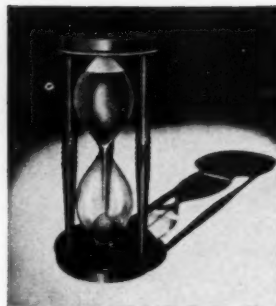
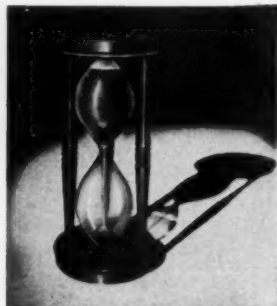
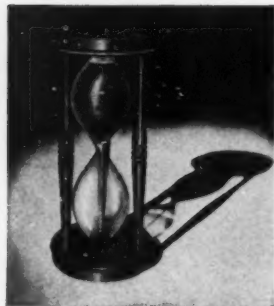
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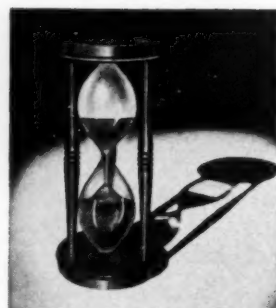
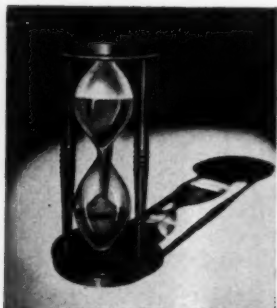
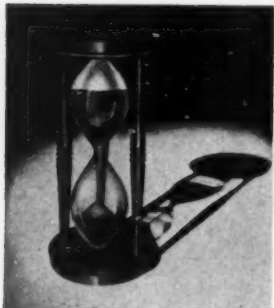
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THURSDAY, NOVEMBER 18, 1948

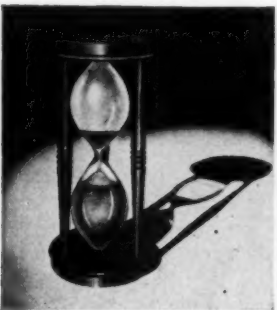
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The National Fire Group

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MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

Layton Chairman, Collamore President of National Fire

**Relative Executive Responsibilities Are Unchanged
by Changes in Title**

HARTFORD—F. D. Layton was advanced Monday by the directors from the presidency to be chairman of Na-



H. B. Collamore Col. F. D. Layton

tional Fire and H. B. Collamore, heretofore executive vice-president, was elected president.

Col. Layton will continue actively in the management as senior officer and also as chairman of the finance and executive committees.

Col. Layton joined National on a full-time basis as special agent in New England and New York in 1907, having previously served National as a local agent in the firm of J. M. Layton & Co., South Norwalk, Conn., during which period he was also a part-time special agent for the company. In 1908 he was appointed general agent and transferred to the home office. He was subsequently elected to the positions of assistant secretary, secretary and vice-president. In 1921 he became a director and in 1928 he was elected president.

The changes in title also take place in the affiliated Mechanics & Traders, Transcontinental, Franklin National and United National Indemnity.

Holds Numerous Posts

Col. Layton is a director of Arrow-Hart & Hegeman Electric Co., Phoenix Mutual Life, Phoenix State Bank & Trust Co., Dime Savings Bank of Hartford and Continental Assurance of Chicago. He is a director of Hartford Hospital and Connecticut Institute for the Blind and a trustee and chairman of the endowment committee of Hartford Y.M.C.A.

In addition to being an important factor in the development of the business of National and its subsidiaries, including United National Indemnity which was organized during his administration as president, he has been a constructive figure also in the work of numerous insurance organizations. He is a past president of National Board, Factory Insurance Assn., Eastern Tornado Insurance Assn., and of New York Suburban Fire Insurance Exchange which was organized under his leadership. He has served also as chairman of the executive committee and public relations committee of National Board and of the executive committee of F.I.A. He is at present a trustee of Insurance Executives Assn. and a member of the executive committee of National Board.

Mr. Collamore was born and educated

N.A.I.A. Names Committees

NEW YORK—Committees of National Assn. of Insurance Agents have now been constituted, and the chairmen are as follows:

T. K. Robinson, Memphis, accident prevention; Gary E. Gillis, Jr., New Orleans, agents licensing law; Alphonso Ragland, Jr., Dallas, aviation; Holton Price, Jr., St. Louis, branch office; Henry L. Bailey, New London, Conn., "Bulletin" advisory; A. H. Criddle, Philadelphia, casualty; L. P. McCord, Jacksonville, Fla., educational; R. E. Stephens, Grand Island, Neb., farm and small agents; Travis D. Bailey, San Antonio, fidelity and surety; John C. Conklin, Hackensack, N. J., disability.

Also Harry T. Minister, Columbus, O., finance; Harold E. Barnhart, Visalia, Cal., financed accounts; Paul E. Keedy, Baltimore, fire and allied lines; John J. O'Toole, St. Louis, fire safety; Broadus Bailey, Greenville, S. C., inland marine; Walter B. Cary, Detroit, legislative advisory; Walter H. Lupke, Fort Wayne, Ind., membership; Emil L. Lederer, Chicago, metropolitan agents; E. J. Seymour, Monroe, La., public relations; Ralph W. Howe, Richmond, Va., underwriting coordinating.

Change Is Forecast in Utah Insurance Post

SALT LAKE CITY—Now that a Republican governor has been elected in Utah in the person of J. Bracken Lee, who defeated his Democratic opponent, Gov. Herbert B. Maw, for reelection, speculation is rife in insurance circles as to who will be the next insurance commissioner. When Maw was first elected, eight years ago, he brought about drastic changes in state governmental affairs by combining various departments into one, with three commissioners, two of the party in power, and one representing the minority political party. The department represented by Commissioner Oscar W. Carlson was designated as the department of business regulation, which, in addition to insurance, included public service, trade, securities, etc., Commissioner Carlson being the Republican member, and ex-officio insurance commissioner. The term of his reappointment expires on March 1, 1949. It is not believed, however, that he will make an effort to be reappointed, due to the condition of his health. Deputy R. W. Garff has told his friends that he will submit his resignation to Gov. Maw, effective Dec. 31.

at Middletown, Conn., and has been associated with National Fire since 1912. He served as an examiner in the home office until 1916 when he became Connecticut special agent for a general agency. After serving in the army air corps in the first war, Mr. Collamore was a field man for National Fire in Texas and, later, in Pennsylvania. He was transferred to the home office as agency superintendent in 1925, and was successively elected assistant secretary, secretary, vice-president and secretary, and executive vice-president. He was elected a director in 1943.

Mr. Collamore is a director and member of the executive committee of Pittsburgh Steel Co., trustee of Mechanics Savings Bank, director of Hartford School of Music, trustee of Watkinson Library, and a trustee and member of the executive committee of Colby College, Waterville, Me. He holds an honorary degree of master of arts from Colby College and is a member of various organizations which serve the fire insurance industry.

Tax Rate Increase Might Deal Heavy Blow to Insurers

The prospect of increased corporation federal tax rates next year is particularly forbidding to fire and casualty companies. The cycle is such that 1949 could be a year of record profits for insurance companies, following upon a series of lean years from the profit standpoint. Thus, stockholders who have seen surplus consumed by ever increasing premium reserves, and who have been admonished to be patient because these "borrowings" from surplus would be returned in due course, may now see these long awaited returns clipped, not 38% as was anticipated, but perhaps 45% or more, not to mention the spectre of an excess profits tax.

Fire and casualty companies' profits, by and large, are earned a year later than those of other types of corporations. For instance, 1948 has been a superb insurance year but due to the operation of the premium reserve, the real profits will not show up until 1949 and all the omens point to substantial corporate tax rate increases next year. That would seem to indicate the desirability of bringing into the 1948 accounts every cent of net earnings that can properly be claimed for this year rather than trying to defer earnings.

Effect May Differ

The situation may affect various companies differently. For instance, those companies that very drastically reduced their business are going to show excellent earnings this year and they have reduced their premiums to such a point that they can have no difficulty in at least maintaining their volume. Thus there is less danger that they will run into disproportionately heavy earnings next year if, by chance, premium volume in general should decline. On the other hand, companies that have not been applying the brakes so drastically are less likely to have the profits this year and more likely to get them next year.

Even before this prospect of an increased tax rate appeared on the horizon, there had been a good deal of apprehension on the part of executives of companies whose volume has gone up at a particularly rapid pace as to what the future held in the way of taxation when the premium volume trend should be reversed and earnings should start pouring in. Some of the reinsurance companies were concerned at this possibility. They were importuned to take on extra business to give relief to good clients, but this type of business is not of a continuing nature and there has been a good deal of dread expressed as to what such transactions would mean in ultimate tax cost.

The tax situation could conceivably have quite an effect on business competition. For instance, a company that was faced with a declining volume of business and a big tax bill might do things to get business some year that it would not otherwise do.

Eye Federal Taxation Questions

At the institute on federal taxation, which the division of general education of New York University will conduct at New York city Nov. 9-18, there will be a session on business tax planning, with Charles W. Tye, Royal-Liverpool, as chairman. Herman H. Kerkstein, Philadelphia, will discuss the question of when embezzlement losses are deductible. Mr. Tye will discuss the tax consequences of distributions in liquidations and the pitfalls to be avoided at a session on planning for corporate distributions.

Industry Seeking Temporary Approval of Interstate Plan

**Doubt Legality of Debit
System as There Are No
Supporting Statistics**

NEW YORK—Harold C. Conick, U. S. manager of Royal-Liverpool, denies that his viewpoint on multiple location risk rating procedures has changed since the June meeting at Philadelphia of National Assn. of Insurance Commissioners.

At the third hearing on the subject at the New York department here he stated: "I emphasize this point to make it abundantly clear that my discussion in Philadelphia of the necessity for special rate-making treatment of this type of business to reflect proper debits and credits against the average of specific rates which would otherwise be charged was not for the purpose of giving affirmative support to the rating plan thereby submitted, but for the negative purpose of showing that, notwithstanding such special classification, it was our feeling that the rates for this class of business should be filed through local rating organizations. As it will appear from the context of my remarks (which context is tortured by the lifting of a single paragraph), the only reason I mentioned the special rate treatment accorded this type of business was because it seemed somewhat at odds with my proposal for having the rates filed through local rating organizations."

Why Old Plan Was Dropped

Indicating that those remarks could only be construed as taking for granted the special treatment, and not as arguing in its favor, he said that there were three reasons for the subsequent change of attitude on the part of the industry with respect to the question: The N.A.I.C. seemed to look with disfavor on the plan of filing through local rating organizations; Commissioner Larson of Florida disclaimed jurisdiction over interstate rates; the Supreme Court's opinion in the Morton Salt Case which seems to require that the rating method be based upon a true average of specific rates (without any debits or credits) because of the unavailability of supporting information to justify rate discrimination reflected in discounts or discharges.

He stated, however, that the industry neither contends nor concedes that the Robinson-Patman act is applicable to insurance, but admits that the proposition is open to some doubt. He then declared that the business may in the future develop a new rating plan reflecting the adjustments, but until it has creditable statistical data, it feels that it should go along with the new plan of averaging the rates within the states.

Subsequent questioning by Roy C. McCullough, special assistant to Superintendent Dineen of New York, brought up much of the history of the old and new rating plans, and the personnel involved in their development. Mr. McCullough followed a line of questioning aimed at bringing out that the multiple location business was a special class of

(CONTINUED ON PAGE 23)

Alpha Chi Epsilon Attacks Insurance Manpower Problem

Form Committee to Work for Reestablishing College Facilities

About 40 members of the Alpha Chi Epsilon fire insurance fraternity and a number of wives enjoyed the biennial reunion at Chicago, Saturday. This took the form of a business meeting in the morning,



Brice Draper

a view of the Northwestern - Notre Dame football game by television in the afternoon and cocktail party and dinner in the evening followed by some nightclubbing on the part of the gayer element.

These are the men that took the insurance courses that were offered from 1924 until 1933 at Northwestern and also for several years at Columbia. A remarkably high percentage of this group has remained in the insurance business and there are a considerable number that have attained positions of eminence.

Indicating anxious interest in the problem of securing for the fire insurance companies the proper type of young blood, the group at its business

meeting appointed a committee to survey the insurance manpower situation and confer with management on the idea of establishing facilities at universities comparable to the old Northwestern and Columbia courses and of subsidizing a certain number of college men. Brice Draper of Hartford Fire heads the committee, the other members being Robert Young, North America, Cleveland; Robert L. Maxwell, Home; C. E. Stiehl, London & Lancashire, and George Hampton, Phoenix of Hartford, all of Chicago.

R. C. Schipper of North America is the outgoing president of the fraternity and he presided at the sessions during the day. The new president is E. J. Clements of Marsh & McLennan; vice-president, J. G. Hughes, Phoenix of London; secretary, Mr. Stiehl and treasurer, Dean Lightfoot of Springfield F. & M.

The group responded favorably to the suggestion of Mr. Young that the fraternity have a get-together at Cleveland during some weekend next fall. He pointed out that there are 10 members of Alpha Chi Epsilon in Ohio.

There were present five members of the original class at Northwestern that started in 1924 and graduated in 1926, they being Mr. Schipper and Mr. Stiehl and George Owen of Phoenix of Hartford; George Eddy of W. A. Alexander & Co., Chicago, and Russell Dunbar, local agent of Akron, O.

Mr. Draper, in discussing the assignment of his committee, following the banquet, said that the way that the courses were set up enabled men with common interests to work together and gave them an experience that was satisfying and creative.

There were present two graduates of the Columbia course, they being T. S. Goble of Atlantic Mutual, Detroit, and Mr. Hughes. All the rest were Northwestern graduates.

Levering Cartwright of THE NATIONAL UNDERWRITER made a short talk at the dinner.

Alfalfa Dehydrators Suffer Jinx

The Kansas City plant of the W. J. Small Co., alfalfa dehydrators located in a former Milwaukee Railroad roundhouse, burned Nov. 9 with loss to some 5,000 tons of dehydrated meal valued at \$300,000 or more. During the past month the company suffered losses at their Neodesha and Arkansas City plants.

Kansas Inspection Bureau has just issued a report on the loss at Neodesha that occurred Oct. 6, saying that the estimated loss is about \$165,000. This was an alfalfa dehydrating mill, alfalfa mill equipment storage and maintenance shop, and meal storage warehouses. The owner estimates the loss on building at \$40,000 and as total on 2,300 tons of meal, approximately \$125,000.

This company has the policy of not calling the fire department on an alfalfa meal fire. They claim to have been successful in extinguishing many such fires with small loss, whereas they felt that if the fire department is called, the loss is always total.

The Kansas Inspection Bureau concluded that unless an industrial plant has a well organized, drilled and properly equipped fire brigade, the public fire department should always be immediately called. Storage of alfalfa meal should be subdivided by adequate aisle space at frequent intervals through warehouse buildings. Had this storage been properly subdivided and the fire department promptly notified, the loss might have been nominal. Alfalfa meal appears to burn by burrowing and very slowly which accounted for the long period required for extinguishment.

On Oct. 5 of this year, a fire occurred in the warehouse of W. J. Small Co. at Arkansas City, Kan. However, the fire department was able to scoop up the burning alfalfa meal and carry it outside where extinguishment was completed before much loss occurred there.

Police Ask Better Underwriting Data

NEW YORK—The importance of obtaining complete descriptions of insured property and, in the event of a loss, following police procedure in reporting losses and thefts to the lost property bureau, were emphasized by Lt. Jerome Murphy, head of that department of the New York City police force, at the November Inland Marine Claims Assn. forum. Without the descriptions or identifying data, the police force is unable to locate the owners for thousands of dollars of lost and stolen property recovered annually by the Bureau, he said.

His bureau receives descriptions of all lost or stolen property in the city when reported by the owners. In addition, it keeps a close check on all pawn shops and dealers in second-hand property who must furnish the bureau with descriptions of property purchased or pledged with them. The descriptions furnished are noted on cards by the staff of the bureau which files them according to the classification of the property and the date reported. It maintains separate cards for each item and the classification include jewelry, watches and articles other than jewelry. Descriptions filed in the bureau are checked against those reported by the pawn brokers and second-hand dealers. Where the reports match up, a "stop" order is placed by the bureau on the article until it is cleared.

Harold S. Daynard, Jones & Whitlock, president of the association, was in the chair at the meeting, at which some 75 members, and guests from Burglary & Glass Club were present. Mr. Daynard has prepared a bulletin entitled "Rewards and Lost Property Practice" which is being published by the association.

Philip G. Clifton Active in Fla. Real Estate

Insurance men planning to buy or rent property at Ft. Lauderdale, Fla., will be interested to know that Philip G. Clifton, retired vice-president of Marsh & McLennan, has a real estate shingle hung out in that city. He is a member of the Richard C. Combes real estate firm.

Mr. Clifton has many friends in the insurance business, contacts established in the many years he was associated with Marsh & McLennan's Indianapolis and Detroit offices. He retired from the service of M. & M. in 1945.

Big Auto Fire Loss in Ill.

Insurance loss of at least \$160,000 is indicated from a fire which destroyed a garage and 43 cars and trucks of Central Illinois Light Co. at Springfield early this month.

The vehicle fleet was insured through Marsh & McLennan, who are adjusting that loss. It is estimated that the minimum here is \$100,000. Western Adjustments is handling the building, which had insurance of \$30,000 placed locally. The light company leased the garage for its vehicles.

An executive of the light company placed the loss to the vehicles at \$150,000, and the fire department estimated the building damage at \$100,000.

W. H. Stewart on Board

W. Howard Stewart of the Helmbold & Stewart agency, Clearfield, Pa., has been elected a director of Excelsior of Syracuse, taking the place of Laurence B. Starr of Meadville, Pa., who retired several months ago. Mr. Stewart is president of Pennsylvania Assn. of Insurance Agents.

The eight regional supervisors of Underwriters Adjusting were at Chicago last week for the annual conference with the head office staff.

Insurance Women Announce Regional Meeting Dates

Dates have been completed by National Assn. of Insurance Women for regional spring conferences in all eight regions as follows: Region 1, March 19-20, Hershey, Pa., Miss Margaret T. Healy, director; 2, March 19-20, Louisville, Miss Audrey Davis; 3, April 2-3, Columbia, S. C., Mrs. Doris Neeley; 4, March 19-20, Cleveland, Mrs. Thelma Tomko; 5, March 19-20, Milwaukee, Miss Christine Sachs; 6, April 2-3, Fort Worth, Miss Mary Gembrill; 7, March 19-20, Topeka, Miss Ellen Deming; 8, Feb. 26-27, Tacoma, Mrs. Alberta Beamer.

Loss May Reach \$700,000

Michigan Inspection Bureau reports that the indicated insured loss in the explosion Oct. 18 at the River Rouge station of Michigan Consolidated Gas Co., is about \$700,000. However, this estimate may be considerably reduced if it is found that the machinery is not extensively damaged. There was a violent explosion and a small fire in and near the gas generator building due to the ignition of an accumulation of gas.

Agents Organize Assn.

Greater Grand Forks (N. Dak.) Insurance Agents Assn. has been organized with George Ulseth as president, Paul Vaaler vice-president and Paul Paulsen secretary. Clarence C. McDonald, president North Dakota Insurance Agents Assn., and Howard D. Berget, secretary N.D.I.A.A., both of Fargo, were the speakers.

Harry L. Godshall, a past president of New Jersey Assn. of Insurance Agents, has been elected a vice-president of the Atlantic City Chamber of Commerce.

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Dineen Blisters Insurers on I.U.B. Stand

N. Y. Superintendent in Buffalo Address, Reiterates Plea for Price Discounts

For 20 years the casualty business has been selling to producers and buyers the idea of graded expense loadings and, where the size of the risk warrants, of loss modifiers as well, Superintendent Dineen of New York said in his talk in Buffalo before a regional meeting of New York State Assn. of Insurance Agents. The stock fire business has been endorsing the idea for 20 years on so called I.U.B. risks, he continued. No business can spend two decades educating its salesmen and buyers on a fundamental principle of rate making, and then abandon the procedure virtually overnight without repercussions.

Mr. Dineen reviewed recent developments in the I.U.B. field, including the recent discontinuance of I.U.B. rating methods that embodied discounts and surcharges for multiple location risks, and the filing in all states of a substitute plan which eliminates such discounts and surcharges. He questioned whether the expenses in connection with large risks are actually as large in relation to the premium as on small risks.

Charges Inconsistency

Prior to the current hearing on rates for multiple location risks being conducted by his department, Mr. Dineen said, the explanation of fire companies that were confronted with the rate making practices of casualty running mates was that the fire business is different, although, he added, "Nobody ventured to explain just how."

"If we think of the fire business as the left hand, and the casualty business as the right hand, this is akin to saying, 'The right hand can do it, but not the left.' One fire executive described it in this language: 'In the morning I put on my fireman's hat, go to the fire insurance meeting and vote one way; in the afternoon I put on my casualty hat, go to the casualty meeting and vote the opposite way.'"

Citing examples from casualty, surety, automobile and inland marine rate manuals which give special treatment to risks according to size, he said these emphasize "in unmistakable fashion something that we all know—that the principle of grading insurance prices by size of premium and other factors is firmly imbedded in the American insurance rate structure today."

Far Reaching Principle

"If the New York department were to accept at face value the arguments informally advanced to it prior to the commencement of the hearing on rates for multiple location risks, the department would have no alternative except to give serious consideration to inaugurating a review of all of the rate structures to eliminate all price discounts based directly or indirectly on the size of the premium."

This problem involves the valuation not only of loss modifiers but also of expense modifiers, he said. It is a major obligation of the department to see to it that insurance buyers of all sizes pay no more and no less than their fair share of insurance cost. In enacting the Robinson-Patman anti-discrimination act, Congress recognized that competitive pressure generated by large accounts sometimes resulted in preferential treatment for big buyers at the expense of small. Consequently, Congress required that under certain circumstances where price differentials are granted, the seller is required to prove upon demand that the price dif-

ferentials are justifiable and reflect only demonstrable economies.

He said he thought that under the New York rating law the department eventually would come to a requirement that price differentials based on expense factors must be in accord with sound accounting practices. This is a standard similar to that required by the Robinson-Patman act, and there is ample statutory authority for the superintendent to lay down such a requirement now. However, he added, the rigid imposition of such requirement presently would be premature because uniform accounting, absolutely essential as a foundation for the evaluation of price differentials fixed in concert, is only just getting underway. The studies of the National Assn. of Insurance Commissioners of cost by size of risk in the workmen's compensation represent the first entry by regulatory authorities into this virgin field.

However, he said, because such accounting is some distance away by no means alters the obligation of the business to secure such information as is available to answer the questions that now exist in connection with expenses on I.U.B. risks. Also, this does not justify the withholding on such business

(CONTINUED ON PAGE 13)

Hotchkis Envisions Insurance Package

Preston Hotchkis, president of Founders Fire & Marine, in addressing the luncheon of Los Angeles Insurance Forum and C.P.C.U. chapter, strongly espoused what he characterized as a "package deal" in insurance for the householder.

What he envisions is comprehensive cover on a residence for fire, E.C., burglary, earthquake, loss of rent, liability and water damage, and on contents a modified personal property floater with which is combined in the same contract, comprehensive personal liability, complete automobile coverage and possibly accidental death.

Such a contract he would have issued on a continuous form basis. If this is done, he predicted that single hazard three year policies for householders would soon pass into the discard.

Mr. Hotchkis contended that such departures as these would make a big hit with the householder who is the voter and would protect the industry from further encroachment by government. If improved service is not

Fire Losses Drop 5.6% in Oct.

NEW YORK—Fire losses totalled \$51,845,000 during October, a decrease of 5.6% from the total of \$54,946,000 in October, 1947, the first time since 1942 that losses for October were less than in the same month the year before, according to the National Board.

Losses for the first 10 months of 1948 total \$588,768,000, a 2.7% increase over the \$572,768,000 figure for the same period last year.

rendered and coverage which the laws now permit is not granted, he expressed the belief that there will be a great deal of public dissatisfaction and that will spell further government control.

Up to now Founders F. & M. is the only insurer that has been licensed as a multiple line insurer under the amendment to the California law adopted in 1947. Those who heard Mr. Hotchkis' talk are speculating as to whether Founders F. & M. is not preparing to inaugurate some of the services that he advocated in his speech.



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These established facilities and the planned activities which are gradually taking shape will serve as a constant reminder that the L & L & G keeps looking ahead and molding its services to keep pace with ever-changing times.



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Kentucky Agents Condemn CCC for Insuring Tobacco

LOUISVILLE—The Kentucky Assn. of Insurance Agents at its convention, elected J. E. Fall, Jr., Fulton, Ky., president succeeding Sheridan C. Barnes, of Elizabethtown, Ky. Hiram E. Redmon, Ashland, Ky., was elected first vice-president; James C. Hulett, Frankfort, second vice-president; and Peyton B.

Bethel, Louisville, was reelected secretary.

The association went on record as opposed to the Commodity Credit Corp., a governmental agency, engaging in the insurance business in Kentucky by insuring tobacco pdedged with it by Kentucky tobacco associations, and charging premiums for such insurance, contending it appears to be a violation of the Kentucky insurance laws. The association urged the Kentucky division of insurance to take all proper steps and proceedings to determine as to whether CCC, or any other government agency

is empowered to engage in the writing of insurance in Kentucky.

A resolution was also adopted upholding a resolution of the National Association at its October convention in connection with the long haul trucking research committee of the association. This concerned the failure of the casualty companies to take action to provide facilities to alleviate the serious situation in the matter of insurance coverages for the trucking industry.

Top speakers on the programs included John C. Stott, president of the N. A. of I. A.; Hugh D. Combs, executive vice-president of the U. S. F. & G.; Walter Meiss, New York, assistant U. S. manager, London Assurance; C. P. Thurman, Kentucky insurance director; Norman A. Chrisman, national state director and member of the national executive committee; former Governor Keen Johnson of Kentucky;

Indemnity; George E. Stetner, North American; and Walter R. Calvert, Jr., of Booker & Kinnard agency, Louisville.

Mr. Barnes said that probably the most important job during the next year is the adoption of an adequate legislative program. He said a strong committee should be appointed to work with Director Thurman in correcting any possible deficiencies in the present insurance laws. The need for such legislation is urgent, Mr. Barnes said.

Membership showed a slight decrease since the midyear meeting and now totals 452. Mr. Barnes said there has been disappointment in two departments of the state program, the establishment of insurance schools which will provide the means for training applicants to pass a strong qualification requirements, and the formation of local boards. He mentioned that Kentucky has fewer boards than many other state associations and they are of value because they arouse interest on the part of members.

The Kentucky association will hold no midyear meeting, but instead plans a series of regional conferences, following the pattern set by the National association. It is planned to have Maurice Herndon of the Washington office of N.A.I.A. attend the first meetings.

Stott Views Election Results

Mr. Stott in his address warned the Kentucky producers that the whole industry should work closer together if the business is to remain a vital force. He based his remarks on an appraisal of the recent national election.

Future plans of the incoming administration indicate an expansion of the social security program and a national health program, Mr. Stott said.

He said the differences between the companies and agents is small in comparison with the sum total of the benefits to be gained by working together. The new N.A.I.A. administration has set as a prime objective the building of a closer relationship between agents and companies.

The agent who keeps himself informed will be the one to survive when times of adversity occur, Hugh D. Combs, executive vice-president of U. S. F. & G., declared in his talk at the Kentucky meeting.

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with Orville Noel, Covington, Ky., reporting on fire prevention. There was also a forum on selling or sales promotion, headed by Fred C. Crowell, Jr., George E. Stetner and Paul B. Bromley participating.

George DuR. Fairleigh, formerly of Louisville, treasurer and assistant secretary of the National association was introduced, and made a few remarks.

Mr. Thurman, formerly state agent for the Continental Fire, discussed the workings of the state insurance department, his effort to make it better and more efficient, and new forms he has worked out for agents' and solicitors' licenses to provide the department with more information on the applicant. He spoke of efforts to tighten up on non-admitted companies and discussed the department's refusal to go along with the program, first refused by his predecessor in the department, Harry B. Wilson.

Chrisman in Last Year

Norman A. Chrisman, Pikeville, Ky., national state director and member of the national executive committee, said he had served as state director for six years and this would be his last year, in that he has given freely of his time and effort, and felt that there is a limit to how far a single agent can go in work that keeps him away from his own business. He discussed various phases of the national association's work, uniformity of agency licensing laws, company capacity, multiple line underwriting, safety training schools, especially driver training.

George T. Holmes, tax equality league of Kentucky, who has been working with the association for some years in efforts to secure congressional co-operation in tax equality as between private capital and co-operatives, including mutual insurance, held that the fight has not been lost, even if President Truman has publicly stated his program of favoring the coops. It is a Congressional matter and in the last election some opponents of tax equality were not re-elected, and some proponents of the tax equality plan are in better position to work for equality, he said. Stock insurance companies were paying about five times as much per \$100 of premium income in federal taxes as the mutuals, Mr. Holmes charged.

A production or sales forum led by Fred C. Crowell, Jr., "Insurance Field," Louisville, was held and participated in by Emerson C. Hill, special agent Aetna Fire; Paul B. Bromley, Fireman's Fund

WALTON MEISS GIVES VIEWS

Sounds Note of
Hope on Capacity
Loss Problems

Walter Meiss, assistant U. S. manager of London Assurance, in his address before the Kentucky agents' convention at Louisville, put the magnifying glass on the problems besetting the fire insurance industry. He dwelt on his topic, "What of the Morrow?" from the standpoint of clarifying the problems at hand. He took a hopeful view, and said the vein of pessimism running through local agency ranks is unjustified, remarking that the feeling that companies, commissioners and government are arrayed against the agents is a psychological condition brought on by inflation and the uncertainties of present conditions.



Walter Meiss

Mr. Meiss said it must be accepted as inevitable that insurance will be regulated both by state and, to an uncertain extent, the federal government. Whether the regulation comes chiefly from the states will in large part be determined by the efforts of the companies and agents, who share the responsibility for convincing Washington observers that present state legislation is sufficient and satisfactory. A pattern of uniformity in the interpretation of state laws by the commissioners is desirable, and he mentioned that it is entirely proper for the industry to make recommendations in those states where administrative changes are in the offing to insure the best type of supervisory timber.

Need Reasonable Profit

Taking up internal problems, he declared that capacity takes first place. Too much stress has been laid on the needs of additional capital and not enough on the need of a reasonable profit. New capital permits temporary premium expansion, but if the premiums contain no profit, added capital is used up and the company is back where it started, possibly with a lower ratio of surplus to reserve because the lion's share of the new premiums go to the reserve column.

The industry has done a good job during the inflation period, he said. Fire premiums jumped from \$1,200,000,000 in 1945 to more than \$2 billion in 1947, but at the same time surplus decreased from \$1,900,000,000 to \$1,780,000,000, and this includes capital increases made by several companies. The underwriting loss increased from \$34 million in 1945 to \$75 million in 1947 and this condition of no profit has been the sore point.

The market cannot expand even with additional capital until that capital can be employed profitably, and the remedy for this, Mr. Meiss said, is rates that will permit assumption of business with the expectation of a reasonable profit and loss prevention that will keep outgo within expectancy.

Companies have attacked this problem from many angles. They have increased capital stock, reduced dividends in some cases, and made strenuous efforts to trim expenses.

Mr. Meiss reported that some signs of improvement have appeared. Fire premiums, which increased 30% in the first half of 1947, show only a 16% increase in the first half of 1948. Earned premiums in 1948 increased 22%, reserves went up only about 10% and the combined loss and expense ratio for the first six months is the lowest since the first year of 1937.

He said that a vital activity has been

the concentrated drive to reduce losses and that campaign is showing some success. Fire losses had a rate of increase of 23% last year, but now have slowed to a rate of 4%. He said that the fire prevention campaign is proving its value and effect. The time is close at hand when the property owner who would rather pay penalty charges than eliminate unnecessary hazards will find it increasingly difficult to get coverage.

The business is confronted with a big problem in achieving a profit margin that will interest investments. He re-

marked that no one buys fire insurance stock because he is interested in fire prevention. Stockholders are aware that dividends are increasing in other industries whereas there has been no underwriting profit in the fire business since 1943. Despite this thin margin, Mr. Meiss stated that the companies are now faced with combating a proposal (the McCullough report) to "arbitrarily limit the net earnings of fire companies, even though the presently permitted percentage in the so-called profit formula has not been approached." A

proposal to fix a limit on net earnings would be a definite block to the growth of the business, he remarked.

Expense ratios lay a heavy hand on operations in many fields. Mr. Meiss said that the business is contending with a manpower problem and must compete for well trained workers while there is a curb on their investment in personnel that is not present in industries where the element of cost is not subject to challenge by regulatory authorities. Field forces have been depleted.

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Kan. Changes for Western Adjustment

Joe F. Springer, who has been manager at Topeka for Western Adjustment since 1929, has now been appointed general adjuster for Kansas. The new Topeka manager is P. C. Foster, formerly resident adjuster at Emporia, Kan.

Succeeding Mr. Foster at Emporia is Gerald Stafford, who has been attached to the Topeka office and has been Kansas storm supervisor.

D. H. Mizer, formerly at Parsons, Kan., becomes resident adjuster at Pittsburg, Kan. There he succeeds W. R. Kelley, who is being transferred to Wisconsin. Also, serving at Pittsburg are J. L. Chancellor and E. E. Vaughn. The territory of the Pittsburg office has been increased to include Cherokee county.

Walter W. Rowse, assistant manager at Wichita, has been promoted to manager there. He has been with Western Adjustment since 1932 and has seen service also at Omaha, St. Louis and Duluth, and the head office.

Mr. Springer has been with Western

30 years, starting at Omaha. In 1912 he was transferred to Minneapolis and in 1928 he opened the office at Quincy, Ill., as manager. The next year he was transferred to Topeka.

Mr. Foster has seen service at Jefferson City, Mo., Kansas City, Kan., Parsons and Emporia.

Grain Pool Election

Underwriters Grain Assn., at its annual meeting at Chicago Tuesday, re-elected the officers but increased the membership of the executive committee from eight to 12. Manager C. E. Harbin was able to report that the experience had been very favorable since the two disastrous losses of December, 1946.

C. W. Ohlsen, Sun, was re-elected president; H. A. Clark, Firemen's, and M. E. Peterson, Springfield F. & M., vice-presidents; R. C. Steinbeck, secretary-treasurer; C. E. Harbin, E. H. Born and F. C. Schad, attorneys. The executive committee consists of P. S. Beebe, Hartford Fire; L. J. Fischer, Home; H. W. LaRue, America Fire; E. D. Lawson, Fireman's Fund; V. L. Montgomery, North America; W. A. Seely, Crum & Forster; C. A. Dossall, St. Paul F. & M.; H. C. Bean, Travelers and G. H. Duxbury, North British.

65 Attend Farm Fire Meeting

There were 65 attending the annual meeting last week at Chicago of the agricultural committee of National Fire Waste Council. Talks were given by L. G. Keeney, secretary of Farmers Mutual Reinsurance, on "Hazards and Problems in Crop Drying by Artificial Heat"; H. E. Hilton, assistant manager of the insurance department of the U. S. Chamber of Commerce, on "The Role of the Chamber of Commerce in Fire Prevention"; Don Ross, merchandising manager of "Successful Farming," on "Going Places in Farm Fire Prevention and Protection"; Carter Bower, Indiana state fire marshal, on "Organizing a Rural Fire Protection District"; J. I. Banash, Carbide & Carbon Chemicals Corp., on "The Value of Wet Water in Rural Firefighting."

Dennis C. Smith, assistant manager of the farm department of Home, chairman of the group, in his remarks outlined the activities of the past year, stating that more than 500 rural communities have taken up the program of rural fire protection through Chambers of Commerce. This campaign was developed by Mr. Hilton of the Chamber of Commerce.

Mr. Keeney brought out in his talk that there are three methods open to bring about an improvement in the hazards on artificial crop drying: Educate the farmers, direct attention of the manufacturers of this equipment to its dangerous potentialities, and have the insurance companies refuse coverage on the equipment. Mr. Keeney stated that in Iowa last year, one of 25 cribs using artificial drying methods burned. It was remarked that this is the greatest hazard in farm insurance in the past 25 years.

Mr. Smith suggested to Harry P. Cooper, Jr., secretary of National Assn. of Mutual Insurance Companies, and Chester E. Parks, farm superintendent of National Fire, and president of Farm Underwriters Assn., who were attending, that their groups recommend that the companies write only approved equipment, and this was taken under advisement.

Jolt for Ky. State Fund

LOUISVILLE—The Kentucky state fire fund was given another jolt Nov. 12, when the 55-year-old Norwood Hall building of University of Kentucky, was destroyed, with loss estimated at \$200,-

000, including valuable scientific instruments, laboratory equipment and irreplaceable geological survey reports compiled over a long period of years. It was reported as a total loss.

Neal Joins Atlas as Cook County Special Agent

Donald J. Neal has joined Atlas as Cook county special agent.

Mr. Neal is a graduate in fire protection engineering of Illinois Institute. He started with Ohio Inspection Bureau in 1936, and three years later joined National Fire as engineer and special agent in Ohio. During the war he served as lieutenant in radar instruction in the naval air corps, returning in 1946 to join Fireman's Fund at Chicago as Cook county superintendent.

Effect of I. M. on Traffic

Joseph Scully, traffic manager of Johns-Manville Corp., discussed domestic inland marine transportation insurance and its bearing on the handling of traffic before Insurance Buyers of Pittsburgh.

Insurance Women of Los Angeles will hold the annual bosses' night Dec. 16. Insurance Women of Denver will hold their annual dance Nov. 19.



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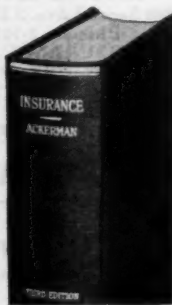
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Ins. Co. of North Am.	3.00	102 1/2	104
Maryland Casualty13	13	14
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National Casualty	1.25	26 1/2	27 1/2
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Davenport Corp. 100 Years Old

RICHMOND—Officers, underwriters and salesmen of Davenport Insurance Corp. of Richmond, Va., were guests of W. Owen Wilson, board chairman, at a dinner celebrating the 100th anniversary of the firm.

In 1848 Charles Wortham established himself in the insurance business as agent of Nautilus Mutual Life of New York, which became New York Life a year later. In 1858 he withdrew from the agency, leaving his nephew, Charles R. Wortham to carry on the business in a partnership with Richard W. Wyatt.



W. OWEN WILSON

In 1861, under the impetus of the impending Civil War, Mr. Wortham formed a partnership with Isaac Davenport, Jr., under the name of Davenport & Co.

Coleman Wortham, Sr., served as president from 1925 to 1932 and he was succeeded by Mr. Wilson who remained president until January 1948 when he became chairman of the board and was succeeded as president by Ralph W. Howe.

Mr. Wilson joined the agency in 1924. His first insurance experience had been with a local agency in South Boston, Va., his native town. After doing field work for the Agricultural and Rhode Island in the south, he became assistant secretary of the latter company. He was insurance manager for Universal Leaf Tobacco Co. when he joined the Davenport agency. He is a former president of National Assn. of Insurance Agents.

Spends 3 Days in Minn.

MINNEAPOLIS—Wayne W. Thompson, assistant dean of American Institute for Property & Liability Underwriters, is spending three days in Minnesota in the interest of that organization. On Nov. 17 he met with a group of interested insurance men in Minneapolis arranged by Joseph R. Brink of T. G. Linnell & Co. and William Peet. On Nov. 18 he met with a group at St. Paul arranged by Ken Hough of Anchor Casualty. On Nov. 19 he was to be at Duluth with Rod Hood of the Liscomb-Hood agency in charge.

Colorado Blue Goose will hold its annual dinner-dance Nov. 27.

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600 Expected at Wisconsin Meeting

MILWAUKEE—With its membership of almost 750 agency members at a new high, Wisconsin Assn. of Insurance Agents is expecting a registration of about 600 at the annual convention here Nov. 22-24, according to Urban Krier, Milwaukee, executive secretary.

Registration desk will be open at 9 a.m. Monday, and executive and other committees will meet during the morning. The first convention session will be held during the afternoon, featuring an audience participation conference on agency management. James R. Gregory, managing editor of Rough Notes and author of "What It Costs to Run an Insurance Agency," will be moderator.

Henry Bush, Madison, state president, will discuss agency office systems; Ben F. Fronk, Manitowoc, state national director, on agency office sales conferences; Charles L. Manson, Wausau, on agency expense and collection problems, and Victor A. Penn, Milwaukee, on insurance surveys.

Monday evening there will be a dinner meeting of local board officers. Problems of local board operations will be discussed. Guest speaker will be T. N. Boate, safety director Assn. of Casualty and Surety Companies.

The convention proper will be opened Tuesday morning with the showing of the Aetna Casualty & Surety movies "Ladders, Scaffolds and Floor Opening" and "Let's Count the Cost." President Bush will formally open the meeting at 10:00 a.m., with W. B. Calhoun, past national president, leading the singing of "America," and Marshall Day giving the invocation. Mayor Frank P. Zeidler will welcome the delegates and President Bush will respond.

Speaker at the initial session will be Chester A. Snow, secretary Phoenix of Hartford, who will discuss "Business Interruption Insurance and Other Time Element Covers." A question and answer period will follow.

A general convention session for members only will follow luncheon, and the entire afternoon will be devoted to association business and affairs. President Bush will report on the administration, National director Ben Fronk on the National association; John H. Carney, executive committee chairman, on association finances; Walter M. Sheldon, N.A.I.A. executive committee member, Chicago, on National association; W. C. Carney, Carney-Rutter Agency, Milwaukee, on automobile insurance problems, and Mr. Krier on the certified insurance agent.

Following a cocktail party, the annual dinner, floor show and dance will be held Tuesday evening.

Opening the Wednesday session will be the town and farm agents breakfast, sponsored by the premium finance department of Marshall & Ilsley Bank, with Arthur Setz, Waterloo, chairman of the town and farm agents committee, as chairman. J. W. S. Gallagher, Aetna Casualty, will discuss "Bank and Agent Auto Plan Brought Up-to-Date," and Dennis C. Smith, assistant manager farm department, Home at Chicago, will cover "Insuring of Big Business Agriculture—Horse and Buggy Days vs. Mechanized Farming." A question and answer period will follow.

At the general session Mr. Boate will speak on "Safety Is Good Business," after which Leonard E. Read, president of the Foundation for Economic Education, will discuss "Let's Stay Free." At the closing luncheon Commissioner Sonderegger of Wisconsin will be the guest, and John C. Stott, Norwich, N. Y., N.A.I.A. president, will speak on "The Balance of Power."

George G. Kluber, formerly Illinois state agent for Caledonian, is confined to the government hospital near Downey, Ill. Mr. Kluber is making a gradual recovery.



Ancient "Bucket brigades" served to keep fire losses down in other days, but they would be no match for modern hazards.



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A SINGLE chemical extinguisher, properly and promptly used, is far more efficient than a thousand delayed pails of water in stopping the menace of fire.

Progress in fire-insurance has kept pace with the evolution of improved fire-fighting methods. With more than a century of experience, financial growth and the development of improved safeguards, Caledonian supplies sound grounds for the satisfaction of its agents and its policy-holders.

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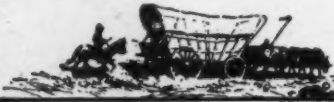
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"TODAY'S RESOURCES"

The 17th Annual Herald Tribune Forum chose "Today's Resources" for their general theme. We choose it because it is so vitally important, today more than ever before, that each individual's resources be protected by insurance in strong, reliable companies.

The Springfield Fire and Marine Insurance Company is one of the best. Now in its 99th year, it has gone through depressions and conflagrations and emerged with new strength and an enviable reputation for integrity.

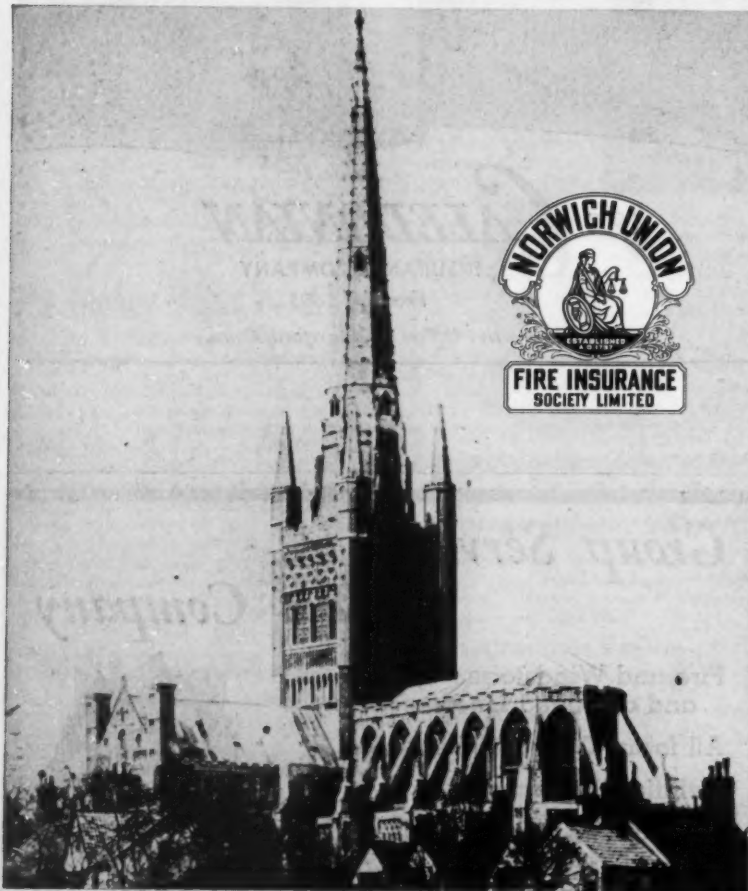
Let today's and tomorrow's resources in America be protected in the free competitive enterprise way . . . the Springfield Fire and Marine way . . . the American way.



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Norwich Cathedral



NORWICH UNION FIRE INSURANCE SOCIETY, LTD.

Norwich Union Indemnity Company

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Leonhart & Co. to New Quarters in Baltimore

Leonhart & Co., Baltimore general agents and reinsurance intermediaries, have purchased the former Home Ins.



Co., building at South and Water streets in the Baltimore insurance district. Occupancy is expected to be completed around Dec. 13.

Ark. Fire Loss \$225,000

Fire caused a \$225,000 loss at Northern Rice Milling Co., mill and elevator, located at Gibson Switch, near Jonesboro, Ark. Cause of the fire was defective electrical system.

Total insurance on the building and machinery was \$100,000 with \$175,000 on stock under reporting form and \$5,000 specific, all written through the Gatz Agency of Jonesboro. J. D. Butterworth and Harry W. Cormier, Jonesboro, plant owners, said that 60,000 bushels of wheat were stored in the elevators at the time of the fire. Preliminary estimates of the loss made by the General Adjustment Bureau place the building and machinery loss at \$96,000 and the loss on stock at about \$127,000.

K. C. to Self-Insure

Kansas City, Mo., has adopted a program of self-insurance under which it will self-insure properties of less than \$50,000 value and ultimately take over the entire city properties on that basis. Savings in premiums will be contributed to the insurance reserve fund set up by the city council. The fund will amount to between \$750,000 and \$1 million. The program was adopted after a study of the past 15 years' experience showed that premiums for fire coverage totaled \$384,189 while recoveries were only \$15,077.

Robert Wall Makes Change

American has appointed Robert E. Wall marine special agent in the Atlanta service office for Alabama, Georgia, Florida and South Carolina. He entered insurance in 1946, with North America, completing the company's educational program, then transferring to Atlanta in 1947.

Fleming Baltimore Speaker

T. Alfred Fleming, director of conservation for the National Board, was speaker at the Nov. 18 meeting of Binder Club of Baltimore. There was a large attendance, the meeting being in conjunction with the convention of Maryland Assn. of Insurance Agents.

Race Horse Owner Recovers

A federal court jury at Cleveland returned a verdict for \$5300 for Carl T. Howe of Parma, O., in his suit against North America for the death of an insured race horse, Menex, in June, 1947. G. G. Estabrook of Estabrook & Co., Cleveland, placed the insurance and was the only witness for the assured.

Missouri Mutuals Merge

Washington Mutual Fire of St. Louis, organized in 1856, has merged with Western Millers Mutual Fire of Kansas City.

Mallalieu to Great Am. Head Office Post

F. W. Mallalieu, Jr. has been appointed superintendent of the brokerage department at the head office of Great American. He was formerly special agent in western Texas. In the latter field he is replaced by Frank L. Banks with headquarters in the Myrick building, Lubbock.

Blanks Committee Meeting

Deputy Superintendent Walter A. Robinson of Ohio, chairman of the committee on blanks of National Assn. of Insurance Commissioners, has called a special meeting of the committee at New York Dec. 13. Consideration will be given to the report of the special subcommittee on uniform accounting. This includes forms in connection with uniform accounting legislation. This will be a joint meeting with the commissioners' special committee on uniform accounting.

Installs New Officers

EVANSVILLE, IND. — Evansville Assn. of Insurance Agents installed Harold M. Wilson as president, James F. Connor vice-president, Arnold V. Cain treasurer, and William C. Myers secretary.

Schedule La. 1949 Meeting

Louisiana Assn. of Insurance Agents will hold its annual convention at the Edgewater Gulf Hotel, Edgewater Park, Miss., April 27-29, 1949.

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DOWNTOWN ST. LOUIS AT YOUR DOORSTEP
Radio in every room at no extra charge
Rooms from \$3.75. Garage Service

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Aetna Fire Advances Wimmer and Dimock

Aetna Fire has appointed Robert P. Wimmer marine reinsurance supervisor and Joseph J. Dimock, Jr., as marine agency supervisor.

Mr. Wimmer, who succeeds C. T. E. Willett, retired, has been his assistant since 1941. He was in the New York city department in 1939-1940 and for a year was with a manufacturing concern. Since going to Hartford he has been a student at Hartford College of Insurance, specializing in fire and marine insurance and insurance law.

Mr. Dimock went with Aetna three years ago, and has been in the marine underwriting department. Before the war he was in the merchant marine for many years. In the navy in wartime, he taught at the U. S. Merchant Marine Academy, King's Point, N. Y.

Now E. T. Clauss & Co.

Emil T. Clauss, president of Buffalo Assn. of Fire Underwriters, and regional vice-president of New York State Assn. of Insurance Agents has purchased the interest of Peter G. Enser, his former partner, in the firm of Enser & Clauss. Mr. Clauss is president of the new corporation, to be known as E. T. Clauss & Co. A son, James T. Clauss, is vice-president and another son, Charles J. Clauss, is secretary. The sons are graduates of Notre Dame.

The partnership of Enser & Clauss was organized in 1919. Mr. Clauss recently was one of a group which purchased the Morgan building in which offices of the agency are located.

WANT ADS

STENOGRAPHIC, TYPING, DICTAPHONE, BILLING, GENERAL OFFICE HELP AVAILABLE

Our employees are experienced and are covered by Workmen's Compensation.

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Interested in purchasing the general insurance business of a Chicago broker. Address S-33, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Former State Agent desires Fire Company interested in establishing a General Agency for the State of Missouri. Address S-43, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

INSPECTOR-ENGINEER WANTED
We have two attractive openings immediately available for experienced fire prevention inspector-engineers to service industrial accounts in midwest and south central states. Or if you would like to train on the job for such duties, write us a letter outlining your background. Address S-41, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE
Field representative, or agency or department supervisor. Present fire special agent desires connection with stock company or good Chicago agency. Headquarters Chicago. 20 years experience, including 10 years underwriting, 3 years agency, 7 years field work. Age 39. Address S-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

A man with over twenty years experience in fire, automobile and inland marine field work and underwriter would like to make a change. Prefer the Virginia-Carolina field but would consider any place in the South. Address S-39, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Wis. Mutual Companies Hold Agents' Convention

MILWAUKEE — Mutuals now account for 39% of all fire and windstorm premiums written in Wisconsin, compared with only 14% about 20 years ago, and the average gain in business during the past 12 months has been over 50%. These figures were given by Herbert W. Roehr, Cream City Mutual Fire, president of Wisconsin Federation Mutual Insurance Companies, in addressing some 300 members at the annual convention for agents in Milwaukee.

"We might be on the threshold of great social changes which might have profound effect on private insurance," Mr. Roehr said, adding, "We should be able to explain the fundamentals of our present system of private insurance in clear and convincing fashion."

Inspection procedures of dwellings and mercantile buildings were explained by Lt. F. C. Barth of the Milwaukee fire department.

Guest at the banquet was John L. Sonderegger, new Wisconsin insurance commissioner, who invited the agents and company officials to feel free to consult with the department at any time and make full use of its facilities.

The importance of greater consciousness of social responsibility on the part of companies and agents was stressed by Gene S. Wilson, president Minnesota Assn. of Mutual Insurance Agents, in his talk on "It Pays to Plan to Sell." He warned that the alternative might be federal government regulation in a field now regulated by the states.

Insurance agents, as salesmen, were urged to add a new line, selling the American system of democratic society, in a talk by Kenneth Haagensen of Allis-Chalmers Co.

Ronald Barton, of Schiffler & Co., adjusters, discussed "Insurable Values to Meet Co-Insurance Requirements" at the opening session the second morning.

In an inspirational talk, Prof. Karl Kettering of Marquette University, said the difference between success and failure is a narrow line. He analyzed the psychological rules for success.

Talks on several phases of agency operation were given by John Lau, of Forst & Goan agency, Milwaukee, on "Service to the Customer," and M. V. Carls, Carls agency, Racine, on "Selling Ideas."

Business is not good until the premium is paid, R. N. Seward of Seward's agency, Lake Mills, said in discussing "Collections." The agent must sell himself to the client and prevent accounts from becoming delinquent by using a business-like approach in collecting.

An information form for obtaining facts on new coverage and present policies, values, liability and risks, was explained by Harold Shier, Reitan-Lerdahl & Co., Madison.

The closing session was a mutual examination of agents from the audience. The feature was sponsored by the Wisconsin 1752 Club and the examining committee was composed of Harold Weiss, general agent, Madison, club president; S. J. Schlaefler, Union Mutual of R. I.; Robert Lundberg, Employers Mutual Casualty; Ronald Barton, Schiffler & Co., and Alvin Krug, Badger Mutual Fire.

The annual meeting of Wisconsin Federation of Mutual Insurance Companies will be in Milwaukee Dec. 8.

Missouri Towns Inspected

Missouri Fire Prevention Assn. will inspect Canton Dec. 2. In the inspection of Crystal City and Festus, 22 field men participated.

Al Gunther, National Fire, and Secretary W. H. Klosterman, Loyalty group, spoke at the luncheon. Harry R. Alm, Springfield F. & M.; Earl S. Hannan, Western Fire, and Arthur L. Corey, Travelers Fire, spoke in the schools.

George Snapper has sold his interest in the Waples & Snapper agency, Lynden, Wash., to John C. Snapper, and has purchased an interest in a Bellflower, Calif., local agency.

THE VALUE OF CONFIDENCE



Insurance is the strongest protecting force yet devised to safeguard us against economic losses that result from life's hazards of death, injuries, property loss or destruction and other uncertainties. Today, the insurance business, like most others, is beset by the perplexing problems of a changing world.

In the present situation, confidence is a valuable asset to every business and individual worker. Confidence is a quality of leadership, inspiring and strengthening to all within its influence. It will help us solve today's problems wisely and soundly as we have done before.

The record of the insurance business for integrity, efficiency and devotion to its trust, is second to none. It has been a Bulwark of Protection through previous difficult times, emerging from each trial stronger than ever. As it has been a good business in the past, we know it will continue to be a good business in the future—for Company, Agent and Policyholder.

Our confidence in the Insurance Business and the American Agency System is unflinching!



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is the shortest
distance between
two points

COMPANY

Staunch supporter of the American Agency System, PACIFIC NATIONAL follows the "straight line" of the insurance business... from Company to Agent to Assured... in all transactions.

AGENT

We concentrate on helping the Agent give the kind of service to his clients that wins good will and additional business for him.

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OFFICES IN PRINCIPAL CITIES
COAST TO COAST

Holstein to Retire from Mich. Post

A. J. Holstein, general agent in Michigan for Granite State for the past 34 years, is retiring Jan. 1, and H. C. Pollock will succeed him in handling the company's affairs in the state.

Mr. Holstein has been in the insurance business for 45 years. He will spend his retirement at his home near Pontiac.

Mr. Pollock has been with Western Actuarial Bureau and Michigan Inspection Bureau, and since 1937 has been active in field work in Michigan. He spent three years in the service during the war.

Mr. Holstein was host at a dinner for his agents at Detroit last week and announced his retirement then. Representing the Granite State were O. A. Dexter, vice-president, A. I. Doling, secretary, and W. G. Shipe, general agent.

Brown Joins American in Nebraska, W. Iowa Field

American has appointed Lester J. Brown as state agent for Nebraska and western Iowa, with headquarters in the Farnam building, Omaha.

Mr. Brown, a native of Nebraska, has had 13 years' insurance experience, most recently as North Dakota state agent for America Fore.

New Program Aided by Public Relations

Oklahoma public relations committee held an all-day meeting of district chairmen and special committee chairmen with T. Ray Phillips, America Fore, presiding.

The public relations committee has organized on a permanent basis a speakers club. The body was formed through efforts of the organization committee headed by George Wyatt, Hartford Fire. A constitution and bylaws have been adopted and officers elected. A speech instructor has been employed and meetings are being held each Monday in Oklahoma City. Thirty members have enrolled for the course.

President is Kenn Gordon, Trezevant & Cochran, J. Haden Linebaugh, Rimmer & Co., vice-president; John Daniel, America Fore, secretary.

Festivities at Janesville

Wisconsin Fire Prevention Assn. made a successful fire inspection of Janesville with 40 field men attending. In appearances of field men in the schools, the children were invited to answer some questions and were rewarded with quarters for the correct answer. In several schools a copy of the Dr. I. Q. program was tried with success.

A cocktail party and buffet dinner was given by Harry Doten, proprietor of the Monterey Hotel, who was formerly a field man.

The group to which Mr. Doten was host numbered about 90 and included field men, local agents, fire department heads, and city officials and businessmen.

Mr. Doten was for several years manager of the western department of New York Casualty and New York Plate Glass at Chicago.

One of Mr. Doten's courtesies has been making the weekly issues of THE NATIONAL UNDERWRITER available at the hotel to field men who visit Janesville in the course of their work.

Emmett Cox of Western Actuarial Bureau gave a talk before the Janesville service clubs.

The Ohio Blue Goose is holding its annual pre-holiday dinner dance Dec. 6 at the Seneca hotel, Columbus, R. D.

NEWS OF FIELD MEN

Hill, staff adjuster Home, is ticket chairman. The committee includes J. M. Bigger, Ohio Farmers, and H. L. Rubrecht, St. Paul F. & M.

Dunne, Hinks Promoted at Chicago by London Assur.

London Assurance has appointed Bernard M. Dunne special agent for the Chicago metropolitan district comprising Cook, Lake and DuPage counties. He succeeds Charles Hinks, Jr., who has been placed in charge of the Chicago loss department.

Mr. Dunne was in the army during the war and since then has been an underwriter at the Chicago office of London Assurance. Mr. Hinks has been with London for 18 years as Chicago special agent.

McGonagle Joins Sun in O.

Albert C. McGonagle has been appointed special agent in Ohio and West Virginia for Sun, succeeding Verne Hart, who has joined Aetna Fire as Ohio special agent.

Mr. McGonagle will have headquarters at Columbus with Otto P. Sachs, state agent. He has been for a number of years in the Tennessee and Ohio fields.

Correct Smith's Location

It was incorrectly reported by THE NATIONAL UNDERWRITER last week that Robert J. Smith was named special agent in Nebraska for Aetna Fire. Mr. Smith was appointed to that position in Michigan.

Plan Inspections in Ill.

Illinois Fire Prevention Assn. will inspect Freeport in April of 1949. Tentatively scheduled are inspections of Mount Carmel, March; Havana, January; Elgin, February, and Mattoon in May.

Downs to Home Office

W. F. Downs, formerly special agent in Western Massachusetts with head-

quarters at Springfield, has joined the inland marine department at the home office of Hartford Fire.

He started as a part-timer with Hartford in 1923. In 1926 he joined the New England underwriting department and worked up to assistant examiner. In 1937 he became special agent in Connecticut, transferring to Springfield, in 1940. He was the first president of Western Massachusetts Field Club in 1945 and vice-president of New England Insurance Exchange 1946-47.

He is succeeded at Springfield by Special Agent Floyd C. MacGregor, who has been with Hartford since 1938. During the war he was a captain with the first service command. Before and since then he has acted as special agent in New England.

Wilson in S. E. Texas Post

Fireman's Fund has appointed Jim J. Wilson special agent for southeast Texas, to assist Special Agent Spore. He will make his headquarters with Mr. Spore at Houston.

Mr. Wilson is a graduate of the University of Oklahoma and did postgraduate work at Oklahoma A. & M. For two years he has been assistant manager of a large local agency in south Texas.

Indiana Pond Initiates

With an attendance of close to 100, Indiana Blue Goose initiated 11 candidates Monday evening.

Ganders George R. Pritchett, American, and G. H. McKenzie, Merchants of Indiana, reported on the grand nest meeting. Clarence Herrick, from the Michigan pond, brought a message from the grand nest.

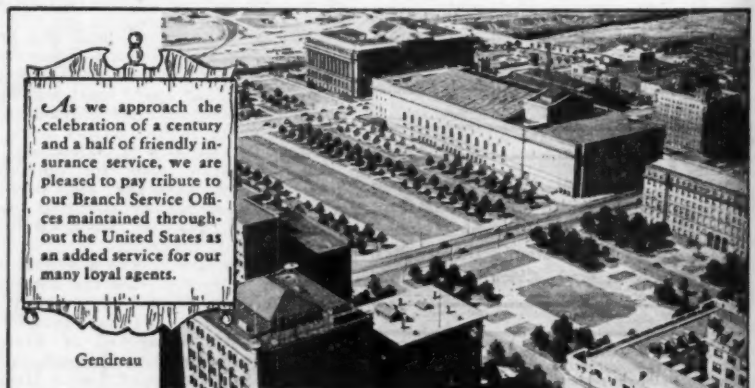
Volkman Wis. Special Agent

Robert F. Volkman has been appointed special agent for Springfield F. & M. in Wisconsin, assisting State Agent Warren D. Johnston.

Mr. Volkman is a native of Wisconsin and both before and after army service was with Ohio Inspection Bureau.

Hoosiers Are Promoted

R. H. Osborne, E. P. Ressler and B. W. Pfeifer have been promoted from special agents to state agents in Indiana for National Fire. Mr. Osborne and Mr.



CLEVELAND, where more steel wire, wire nails, bolts and nuts are made than in any other city in the world, is one of the principal Great Lakes ports. Because it is the world's largest ore market and handles vast quantities of lumber and grain, the "Forest City" was chosen for one of our branch service offices.

NORMAN GILSDORF, Special Agent

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Ressler will supervise the recording business in Indiana, assisted by Special Agent G. E. King while Mr. Pfeifer will continue to supervise the farm business. Mr. Osborne will supervise the Indiana service office at Indianapolis.

Ill. Field Men to Gather at Peoria Jan 27

Illinois Fire Prevention Assn. will hold its annual meeting Jan. 27 at the time of the midyear meeting of the Illinois Fire Underwriters Assn. at Pere Marquette hotel, Peoria.

The Blue Goose will hold a dinner meeting the first evening. This will be the midyear meeting and initiation for that organization.

Plan La. P.R. Program

NEW ORLEANS—Louisiana Fieldmen's Assn. at its November meeting voted to develop a well rounded program of public relations. Edward W. Charlton, Jr., National Fire, was named chairman of the public relations committee. A public speaking class for fieldmen was suggested and a majority of those in attendance indicated that they would favor such a move.

Jules E. Simoneaux of Henry A. Steckler Co., president, announced that Alvin Shepherd, general agent, had been named chairman of the executive committee.

Mich. Blue Goose Plans

Grand Rapids puddle of Michigan Blue Goose will hold a Thanksgiving party Nov. 22 at the Country House near East Belt Line. The pond also will have a party on that date at the Penobscot Club, Detroit.

The Michigan pond midyear meeting will be Jan. 19 at the Leland hotel in Detroit.

Mich. Field Men See Films

At the November meeting of Michigan Fire Underwriters Assn., the films "Approved by the Underwriters" and "Texas City Comes Back" were shown, and Frank L. Curtis, director of customer relations for Michigan Bell Telephone Co., gave a talk on public relations.

Wichita Auxiliary Elects

Mrs. W. L. Schollander, wife of the St. Paul state agent for southern Kansas, has been named president of the Wichita Blue Goose Auxiliary, replacing Mrs. W. E. Stewart, who is leaving with Mr. Stewart, Fireman's Fund state agent, to reside in Topeka. Mrs. D. M. Quinn,

whose husband heads Kansas Underwriters, Wichita general agent, was named secretary. Mrs. Fred M. Reed was hostess.

Jenkins to Salt Lake City

R. E. Jenkins, technical representative in North America's Denver service office, has been transferred to Salt Lake City as special agent, assisting Walter M. Anderson.

J. B. Goodrich to Maine

Jared B. Goodrich has been assigned by Phoenix of Hartford to Maine as special agent with headquarters at 20 Exchange street, Portland.

He has been at the home office 12 years, except for five years when he was in military service.

G. H. McKinney, special agent of America Fore in southwest Texas, chairman loss committee Alamo Field Club, addressed the Alamo Heights Rotary Club, San Antonio, on "The Present War," dealing with the fight against fire.

NEW YORK

ROYAL-LIVERPOOL GUARDS MEET

A record total of 334 persons attended the annual dinner-dance of the Royal-Liverpool Guards at New York. The dinner was preceded by a cocktail party and reception.

The Guards is an association of employees of Royal-Liverpool who have been with the companies for 25 years or more.

At a business meeting preceding the festivities, new officers were chosen. They are: August Westphal, president; Elmer Voorhis, first vice-president; W. G. E. Thompson, second vice-president; Walter A. Weisenthal, treasurer; Miss Hedwig Finke, secretary, and Miss Nettie Hoesly, assistant secretary. H. C. Conick, U. S. manager, and Clarke Smith, deputy U. S. manager, are trustees.

MEINERS HEADS "NORBIT GUARDS"

At the annual meeting of the "Norbit Guards," 25-year service organization of North British employees, the following officers were elected: President, E. J. Meiners; vice-president, T. J. Hunter; treasurer, L. Ljungquist; secretary, Maude E. Henderson. Mr. Meiners is general agent of the countrywide automobile department at the New York home office.

Charles A. Merante has been elected

president of Brooklyn Insurance Brokers Assn. He is also chairman of the Brooklyn chapter executive committee of National Assn. of A. & H. Underwriters. The local brokers association have adopted the group A. & H. group plan for the membership.

John C. Weghorn, president of Weghorn Agency, Inc., announced the agency has been appointed by Reliance as nationwide binding agents and as New York City agents.

CHICAGO

SUNDSTROM TO ADDRESS BUYERS

Walter L. Sundstrom, assistant manager at Chicago of Factory Assn., will be the speaker at the Nov. 18 meeting of Mid-West Insurance Buyers Assn. His topic will be "Construction and Operation of the Factory Insurance Assn."

DISTAFF MEETS NOV. 18

Insurance Distaff Executives Assn. of Chicago is having a dinner meeting Nov. 18 at the Gateway restaurant, Chicago. The speaker is M. L. Brownlow, general manager of Underwriters Salvage, who will discuss the operations of

his company. Mr. Brownlow's talk is being given at the offices of Western Underwriters Assn.

SEYMOUR IN FIELD

Harold B. Seymour has been assigned to travel in the Chicago and Cook county field for National Fire. He has been in the office at Chicago for 11 years except for his period of army service, and most recently has been an underwriter and automobile man.

Big Gain for K.C.F. & M.

Kansas City Fire & Marine for the first nine months reports premiums written of \$3,741,513, against \$2,139,669 a year earlier, an increase of 74.8%.

Assets increased from \$3,233,000 to \$3,829,000, a gain of \$596,000. Surplus to policyholders is \$2,151,000, a gain of \$47,000 after dividend payments of \$50,000.

Buyers to Hear Pither

Allan L. Pither, Chicago manager of American Foreign Insurance Assn., is addressing the St. Louis Insured Members Conference at a dinner meeting Nov. 23 on "Insuring American-Owned Property in Foreign Lands."

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EDITORIAL COMMENT

Did the Election Affect Your Market?

Has the election really had an adverse effect upon your market, Mr. Producer? Have you actually faced a number of prospects and found that their desire to buy has been paralyzed or their ability to buy impaired by the election results? Or have you just heard from somebody who heard from somebody that, as far as the sales climate goes, the weather is pretty dirty and you had better not venture out? It may not be your prospects who are paralyzed, Mr. Producer, maybe it's you.

Sure it's pleasantly melancholy to mope around the office, to make the coffee klatches extra long, bemoaning the fact that the election results might have some effect upon your politically conservative clients and prospects. Well, you've already allowed yourself the luxury of Monday morning quarterbacking, of theorizing why things were and what they are going to be. Sure you can permit a certain time for recovery from shock, because the results of the voting were to many a business man what a defeat of Notre Dame on the gridiron by Southwestern Wyoming State Teachers college would mean to a Notre Dame alumnus.

This is different than the football ritual. Instead of being a mere spectator, you are in the game. You don't have to listen to what the amateurs say or believe gaseous predictions. You can actually get in the game right now and find out how tough the opposition is. That opposition is sales resistance. It's worth finding out for yourself. Some insurance producers who used to listen to the "harpies," are finding that business goes on as usual. They find that the election dampens the client's buying mood only where the producer himself brings it up or reads it into the situation. One sure way to muffle a sale is to run about shouting, "woe is me, the revolution has come."

There are certainly enough real barriers in the world so that the creation of imaginary ones is far from necessary. If you talk about the market for

insurance being poorer, make sure that it comes from your own experience and not just from what you have heard or you may throw some other fellow off the track.

In case you think this is just chin-up, carry-on, stiff upper-lip sort of guff, there are plenty of examples of men who refuse to accept bookmaker's odds and are overwhelming successes.

Dan Cahill, director of the life insurance marketing course at Purdue university, tells of a class of fledgling life insurance agents which he shoved out into the world at a time when experienced men were saying it was impossible to sell life insurance. This was a year ago, five days before Christmas. The Guertin law changes raising the rates of some of the policies had gone or were about to go into effect in most companies and great amounts of life insurance had been sold to beat that deadline. The old experienced hands in the agency rooms were likely to comment to any newcomer, "relax, brother, there's nobody to be sold at this time of the year, especially this year, the Guertin law rush has drained the market."

Fortunately, the Purdue neophytes didn't listen to these voices. Probably it was because most of the other agents weren't even around the office to whisper into their tender ears. At any rate, members of this class started hitting the ball and finding out what the market was for themselves. They averaged \$7,000 worth of life insurance sales in that short period before Christmas. They went on through the ensuing "difficult" months up until March and kept up this same record, \$7,000 average per man per week.

If a further analogy is needed, think of the boy who couldn't win, Harry Truman. Suppose he had just sat around the office and listened to what the "experts" in the bull pen had to say about his chances, instead of getting out on the street to find out for himself how tough the sales resistance was. What would have happened to him then?

PERSONAL SIDE OF THE BUSINESS

President S. W. Carey 3rd, of Providence Washington is visiting the Pacific Coast department, holding conference with Charles E. Currey, Pacific Coast manager. Mr. Carey will visit the Pacific Northwest on his return trip to Providence.

The chief departmental executives of Fireman's Fund are concluding a 10-day conference at the head office this week. The out-of-town group includes Vice-presidents E. D. Lawson, Chicago; Richard V. Goodwin, New York; Fred H. Morasch, Boston; Leslie J. Haefner,

New York, and Managers John H. Dillard, Atlanta, and Leonard T. Backus, Los Angeles.

Arthur H. Hansen, the new executive secretary of Risk Research Institute, was formerly insurance manager for Richfield Oil Corp. of New York. He



ARTHUR H. HANSEN

joined Richfield in 1929 as an auditor, later became a consultant to the company's distributors on federal and state tax matters, conducted lectures on safety matters. He had been insurance manager since 1934.

J. F. Gilliams, retired president of Camden Fire, is wintering at Pass-A-Grille Beach, Fla.

A. A. Morey of Chicago, vice-president of Marsh & McLennan, has been named campaign chairman of the 1949 March of Dimes for the Cook County Chapter of National Foundation for Infantile Paralysis.

E. H. Hanhart of the Hanhart local agency at Dover was manager of the successful campaign of Frank Lausche for governor of Ohio and hence, it is expected that Mr. Hanhart will be consulted in connection with the appointment of a new insurance superintendent. Harry M. Turner, local agent of Springfield, O., also, it is thought, will be influential in this connection. He was head of the movement to organize Republican insurance agents for Lausche in protest to the record of Governor Thomas Herbert and the Republican administration on the licensing of General Motors dealers as agents for Motors Insurance Corp.

Ralph Doran of Cedar Rapids, one of the star backs on the University of Iowa football team, is the son of John Doran, Iowa state agent of Northwestern National.

Walter A. Schulz, secretary of the Edgar O. Stoffels class 1 agency of Chicago, has been elected worshipful master of Circle Lodge 938 AF&AM, of Oak Park, Ill. The public installation takes place Friday evening. He has been with the Stoffels agency since 1943 and has been in the insurance business at Chicago 26 years.

George C. Hoerger, well known inde-

pendent adjuster of Chicago, is passing out the smokes due to the arrival at Evangelical hospital of his first son, who has been named George William. The boy weighed 8 pounds 7 ounces. Mr. Hoerger has two daughters, Joanne 16 and Judy 6.

Selden K. Griffen, assistant secretary, has just completed 35 years with Phoenix of Hartford. Starting as a clerk in 1936 he became superintendent of the automobile department, and assistant secretary in 1947. He is a past president of Hartford Underwriters Club.

DEATHS

William I. Greene, 74, prominent Milwaukee local agent and president of Greene Brothers & Hansen agency, died at his home after a three weeks' illness of uremic poisoning. Born in what is now the Shorewood suburb of Milwaukee, Mr. Greene started in the insurance business in 1892 with his brothers, the late George and Walter Greene, which agency later became the present firm. Prominent in civic life, he formerly served many years as alderman.

Percy M. Marshall, 65, retired regional manager of the Royal-Liverpool group, died at his Dallas home Nov. 12. A native of Waco, he had lived in Dallas since 1912.

Lewis A. Stebbins, veteran life insurance lawyer and life company general counsel of Chicago, who died Sunday at his home at Chicago at the age of 85, was the father of Selden L. Stebbins, who is secretary of Employers Reinsurance. Mr. Stebbins was general counsel of the old National Life, U.S.A., of Chicago from 1904 to 1920, and in more recent years had been general counsel of Central Life of Chicago.

C. E. Ulery, 55, Missouri special agent of the hail department of Home, died of a heart attack in St. Lukes hospital, Kansas City. He had been associated with the insurance business for more than 25 years in Missouri, Kansas and Oklahoma.

Lester S. Newkirk, 70, local agent at Ashtabula, O., died there.

A. J. Davids, Port Clinton, O., local agent, died last week.

Percy H. Titus, 70, retired vice president of Liberty Mutual, died at his home in Newton, Mass. following a long illness. He was born in Columbia, N. H. and had been chief adjuster for the Boston Elevated Railway when he joined Liberty Mutual as general claims manager in 1917. He was made vice president in 1927 and retired in 1947. He was for many years a member of the claims executive committee of the American Mutual Alliance and the joint claims committee of stock and mutual casualty companies.

Captain James P. Parker, 74, for many years, until his retirement four years ago, a member of the firm of O'Neil & Parker, long Boston managers of U. S. F. & G., died in Boston. He was born in Hongkong, China, where his father, a Boston merchant, was engaged in the China trade, and graduated from Harvard in 1896. He entered the insurance business in 1906 and had served two terms as president of the Surety Underwriters Assn. of Massachusetts and as chairman of the Insurance Council of



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Boston. He served as adjutant general of Massachusetts under Governor Guild and had had 28 years of service in the militia and reserves, holding commissions in both the army and navy.

George M. Cousino, 50, Newark, O., examiner of the Ohio insurance department, died suddenly of a heart attack at Boston where he was participating in a convention examination of Arkwright Mutual Fire.

Mr. Cousino is the second examiner of the Ohio division to die while on duty in Boston. He had been with the department about 12 years. Services were held in Newark, O.

Frank Arthur Garbe, 44, vice-president of United Pacific, died at his home from a heart attack. He was a native of Chehalis, Wash., and was prominent member of the Washington state bar.

Lewis Terwiliger, 79, former Mayor of Livingston, Mont., well-known local agent and member of the Montana Assn. of Insurance Agents, died at his home due to a heart attack.

Michael John Grogan, secretary and general manager of Lynch Coal Operators Reciprocal, died at Terre Haute, Ind.

Diversification Is Urged

ALBANY, WIS.—John J. Conley, Beloit, western Wisconsin special agent of Western Casualty & Surety, spoke at the monthly dinner meeting of Green County Assn. of Insurance Agents on the advantages of diversification for the local agent. Much additional premiums and income for the agent can be secured with much the same overhead expense, he said.

Webb Woodward, Topeka, past president of Kansas Assn. of Insurance Agents, in Shawnee county director for the March of Dimes drive in January.

H. H. Hackney, Atchison, Kan., agent since 1910, and Mrs. Hackney recently celebrated their 60th wedding anniversary.

E. Ray Jenkins, secretary of Richland Mutual, Mansfield, O., has been elected grand master of the second veil of Royal Arch Masons of Ohio. He is a commander of Mansfield commandery, Knights Templar.

Dineen Blisters Insurers on I. U. B. Attitude

(CONTINUED FROM PAGE 3)

of all price differentials based on expense modifiers. If it does, consistency would require a similar course on all rate structures. The business must do the best it can with what it has, remembering that what that is is not good enough and will never suffice on a long term basis.

The developments of the last few months on multiple location risk rating can be regarded as a battle of wits between a price fixing combination and the regulatory authorities created to supervise it, he said, or a recognition that the fire business has been granted in public law 15 a privilege not extended to American business generally, the right to fix prices in concert. In that case, as recipients of a privilege, the business should be fully cognizant of the responsibilities imposed on it and not regard state regulatory laws as mere islands of safety. Those laws were enacted primarily for the protection of the public and only incidentally for the benefit of the companies, he declared.

John Stott Hits CCC Move

Urging industry support for Commissioner Thurman of Kentucky in any moves he may take against what was called new evidence of government moves into the insurance business, John C. Stott, president of N.A.I.A., charged at the Buffalo meeting activities of Commodity Credit Corp. in insuring Kentucky tobacco are a flagrant interference by the government in private enterprise.

Since June 1, 1948, he stated, CCC has been charging an additional .01½ per \$100 on balances of loans on which tobacco is collateral. The charge is to cover the assumption by CCC of all insurable risks including fire, E.C., etc. while the tobacco is in storage. He said Congress had not authorized CCC to engage in the insurance business and that the competition is a serious problem.

The CCC action may result in commissioners finding the governmental agency in an insurance business in their

state over which they would have no control and could collect no premium tax.

Noting that Kentucky Assn. of Insurance Agents had condemned the practice in a resolution Nov. 16, he expressed the hope that Commissioner Thurman would take appropriate action and that he would have the "wholehearted support of the industry" in any action he took.

Mutual Alliance Groups Meet

WHITE SULPHUR SPRINGS, W. VA.—Directors of American Mutual Alliance met here this week at the Greenbrier hotel, along with the National Assn. of Automotive Mutual Insurance Companies and the National Assn. of Mutual Casualty Companies. It was the annual meeting of the two latter groups.

A. V. Gruhn, managing director of the alliance and J. C. Stennett, director of safety engineering for the two associations, were on hand from headquarters. This group moved in just as the stock casualty company and agency group moved out.

Finance Companies Gird for Legislative Battle

At the insurance markets and underwriting panel of the American Finance Conference in Chicago, members were called upon to gird for a legislative battle royal to block expected attempts in many state legislatures to limit or wipe out the insurance writing powers of the finance companies and their dealers.

The issue far overshadowed the weighty concerns of this body in past years. Market capacity is still a problem, but the finance companies through captive insurers and through non-agency insurance companies appeared to have found at least a partial answer to this question. The bad experience on the finance insurance business of the past few years has now turned favorable, due to increased rates and more careful unilateral underwriting.

Kirk A. Landon of Miami warned the finance company men that they must join with building and loan associations, industrial banks and lending agencies to even up a legislative battle against the National Assn. of Insurance Agents and the agency insurance companies.

Life Insurance Woman Is Held for Embezzlement

United States Guarantee had a \$100,000 bond on Elsie M. Matthews, general agent of Manhattan Life at Montclair, N. J., and nationally prominent in life insurance organization work, who has been arrested on a charge of embezzling \$32,000 from that company.

Champaign, Ill., Agents Elect Estergard President

Robert C. Estergard of the H. R. Bresee & Co. agency has been elected president of Champaign (Ill.) Assn. of Insurance Agents. He succeeds H. H. Monier, who goes on the executive board.

Vice-president is Elmer I. Hoggatt; secretary-treasurer, James W. O'Neil.

Smith Heads Eldorado Board

Hoyt Smith of the J. C. Hoyt & Co. agency has been named president of the Eldorado (Kan.) Insurance Board.

Walter L. Cary of Cary Insurance Service, has been named president of the Eldorado board of education.

Va. O.K.'s Allstate Plan

Virginia corporation commission has approved Allstate's new automobile liability classification plan. The plan has six classes with no special rates for drivers under 23.

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Casualty Groups Rename Officers at White Sulphur

Return "Home" Emphasizes Atmosphere of Friendliness and Good Will

By KENNETH O. FORCE

WHITE SULPHUR SPRINGS, W. VA.—The impressive thing about the annual joint meeting of International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty



W. A. Williams

Surety Agents is the atmosphere of friendliness and good will, which is all-pervasive. This year there was one, difference, more people than ever—430—were there to enjoy it.

This meeting also marked the return of the convention to its "home" locale, the Greenbrier, where it was held for so many years prior to the war. Arrangements have been made for 1949, Sept. 25-28.

Even in the warm friendliness at Greenbrier problems still exist in the insurance business, and a few of them were touched upon in able papers by President Wallace J. Falvey, Massachusetts Bonding, of the company group, and by Wheaton A. Williams, Minneapolis, for the agents' group.

Reelect Officers
Both organizations reelected their officers, with the exception of William T. Cline of Conkling, Price & Webb, Chicago, who asked to be relieved of the duties of secretary of the agents' association. He continues as vice-president and a member of the conference committee, but Robert Stitt of W. B. Joyce & Co., Chicago, was elected secretary.

At the meeting of the company group, Henry Collins, retired U. S. manager of Ocean Accident, and John G. Yost, retired president of American Bonding, were elected honorary members. Mr. Yost attended the meeting. Dues were increased from \$50 to \$100 per year, beginning Jan. 1.

Constructive Leadership

At the agents' session, E. W. Sawyer, New York, counsel of the association, presented in outline the new highway safety campaign the organization is sponsoring. This is about ready to go. It will feature "cartoon" type cuts with the theme of courtesy on the highway. It avoids scolding the driver, but urges the sort of common courtesy the driver shows others in other social contacts. The campaign will serve two purposes, to promote safety and to advertise agents.

Mr. Williams pointed out that the association has a number of plans in the making. At times the business is upset by professional agitators, but there is no iron curtain between agents and com-

(CONTINUED ON PAGE 24)

Falvey Recites the Woes of Stock Casualty Insurance

Wallace J. Falvey, president of Massachusetts Bonding, expressed strong objections to the McCullough profit formula report as being socialistic in principle and an instrument which "would make it utterly impossible to raise any future capital for use in the insurance business," and took up in detail the financial straits of the stock casualty companies in his talk at White Sulphur.

Mr. Falvey said that many people have the impression that insurance can prosper on rates that are geared to comparatively normal conditions in a period of rampant inflation. Everything today is attacking the surpluses of insurance companies. The stock market is soft, claim reserves and unearned premium reserves have reached new peaks, and the value of the dollar is considerably less than it was when commitments or reserves were set up.

Business Starving for Profits

The business is starving for profits in the presence of abundant business, he said. There must be increased capitalization to meet heavy demands for more insurance, and in order to get the capital, companies must be given rates adequate enough to attract investment money.

The insufficient return on investments in insurance companies has created a situation under which in the past 18 months 13 large, prominent and successful fire and casualty companies have been forced to offer new stock at a discount of 47 cents on the dollar to make it salable, and even then found it necessary to sell large proportions of the new issue to investors other than stockholders who received rights to subscribe.

New Companies Have Few Assets

Mr. Falvey mentioned that the recent large disparity between the liquidating value of casualty company stocks and the market prices of such stock has not made it impossible to organize comparatively small companies (34 new casualty companies have been launched in the past three years with a total capital and surplus fund of only \$7,300,000, or \$125,000 for each company), but he asked whether this disparity between liquidating value and market price has not been a deterrent to drawing new funds into the business.

The companies find themselves in the middle on this question of investment return. Mr. Falvey said that the answer is related closely to capacity, and in explaining what the companies are up against, he stated that producers put pressure on the companies to provide a market, and are admonished, "either by innuendo or sometimes more directly, that if they fail to provide adequate facilities for all, those facilities might have to be provided by others—presumably by the federal or state governments."

Mail Order Trade Practice Conference Dec. 8

WASHINGTON—The federal trade commission will hold a trade practice conference Dec. 8 for the mail order insurance industry. Wendell Berge, counsel for Insurance Advertisers Assn., thus gains his point, although some FTC people had opposed calling such a conference.

The conference will be held at Chicago. Commissioner Ewin L. Davis will have charge of the discussions.

ernments."

Then the regulatory authorities enter the picture. Mr. Falvey said that in some states, companies have been urged, adding parenthetically that "coerced" might be a better word, to expand their writings in a given line despite the fact that experience on that coverage has been unprofitable; and at the same time authorities in other states are admonishing the companies to curtail their premium writings or increase capital funds, or suspend dividends to stockholders. He said that added to these woes is the threat of the McCullough report which is of direct interest to the casualty companies because "eventually it surely will affect our business."

"We must, of course, oppose any report which has socialistic tendencies and the grouping together of what belongs to policyholders and what belongs to stockholders should never occur," Mr. Falvey said. He hit strongly at some of the questions being asked about the casualty business and provided ready answers.

On capacity, he pointed out that stock casualty companies in 1945 had net premium writings of \$1,325,000,000 and last year the premiums were \$2,075,000,000. Indications are that in 1948 they will be approximately \$2½ billion. The increase in premium writings during the past three years has been greater than the total business written by all stock casualty companies in 1941.

Two for One Ratio Necessary?

Mr. Falvey asked rhetorically whether casualty companies actually over-extend when premium writings amount to more than \$2 per \$1 of capital and surplus, and declared that such a situation prevailed after the first war when premium writings increased from \$283 million in 1918 to \$443 million in 1921, the growth being about 75%. In 1919 stock casualty companies combined wrote nearly \$3 of premiums for \$1 of policyholders' surplus, and in the following year, the writings were more than \$3 of capital and surplus. The most notable effect, he remarked, was that earnings were very good and insurance stocks proved profitable investments.

On the question of whether an underwriting profit of 5% suggests that the public is being plundered for the benefit of stockholders, Mr. Falvey stated that last year ten large stock casualty companies wrote aggregate net premiums of \$417,000,000 on capital funds of \$207,800,000, almost exactly \$2 premium per \$1 of policyholder surplus. If those companies show an underwriting profit of 5% on this business and derive the investment income which actually accrued to them last year, the net earnings after taxes would be equivalent to only 8%. He emphasized that the figures are based on a presumed underwriting profit margin of 5% and premium writings at two for one, and thus total earnings of 8% on invested capital represents the maximum to be hoped for.

Such figures, he noted, give no regard to recurrent periods such as those from the years 1929-1933 when the stock companies suffered an underwriting loss of 5% of earned premiums. The maximum realizable earnings of 8% could not be obtained if a company had anything less than a 5% underwriting profit or less than \$2 of premium per \$1 of capital and surplus.

Actually, Mr. Falvey said, the period 1944 through 1947 the profit of all stock casualty companies averaged only 6½% annually derived from underwriting profit, income from interest, dividends and rent, and credit given for 30% of

Insurers Embrace U.C.D. as Alternative to U. S. Health Cover

Feel Necessity of
Positive Approach
To Federal Threat

Insurers in the group disability field are seriously concerned about the possibility of the federal government establishing a national health program. A bill to effect such a program is certain to be introduced in Congress. The only question seems to be its chances of passage and how soon.

It is considered doubtful if this kind of bill can be defeated by a purely negative approach. Many insurance people believe they will have to put forward a positive alternative to a federal plan.

Turnabout Is Found

There is considerable sentiment in the industry for direct and vigorous sponsorship of state unemployment cash benefit laws, a considerable turnabout from the industry attitude of a year or so ago.

However, two years ago, the industry estimated that it had six years to put its house in order. A Republican Congress had been elected and another was confidently expected to be elected in 1948 along with a Republican administration. Thus, today, instead of four more years, the industry has none. It had two, and they are gone. The situation the industry is facing now it expected to meet in 1953.

The figures on voluntary insurance in the disability field are good, but they are not as good as they would have been in 1953. Hence, the belief that it will be necessary now to back cash sickness legislation in key states—and do it promptly. California and New Jersey have established the pattern. There would be strong state support for state programs.

Today in Washington the talk is of a health program to be administered by the federal government. This, some in the industry believe, would be in the nature of a monopolistic fund excluding private insurance altogether. Or, if private insurance were given a chance, it would be under such circumstances and conditions as to discourage the industry from participation.

The question of the federal tax offset permitted employers under title 9 of the social security act is coming up shortly before the Stettinius committee. E. R. Stettinius, Jr., at one time Secretary of State, was named by the President to the advisory council on social security to the Senate committee on finance. This committee has studied, for one thing, the possibilities of adopting a permanent total disability insurance program, and reported its findings to the Senate.

The industry believes that if UCD laws were in effect, as in California and New Jersey, in a number of key states, there would still be a chance for private industry in this field; but that if a national health program is set up, the industry may lose out entirely.

the increase in unearned premium reserve.

"In other words," Mr. Falvey said, "the companies reach an average profit of 6½% only by following the procedure I object to as being socialistic in principle. I call that nothing less than preposterous."

Hits Defeatist Policy on National Health Cover

From Ralph L. Kingsley, local agent of Utica, Ill.:

In your issue of Nov. 11 I have noted with interest the article entitled "Washington Again is Big Insurance Factor". Referring to national health insurance, radical "social security" changes, etc., it is stated therein: "If the Democratic administration and congressional leaders choose to press for action along these lines there appears to be little in sight to prevent its consummation."

Don't you think that is a defeatist attitude? I do not recall of any time during the New Deal regime when the insurance industry as a whole has really gone to bat and slugged it out for its principles of private enterprise, against the forces of national socialism and similar reactionary interests that are trying to destroy the foundation of the greatness of this nation. I cannot at all see as being of any value, the ostrich policy of burying one's head and waiting for the inevitable.

National health insurance and state

medicine did not put over the election for the present administration—in fact for the general mass of the public know practically nothing of such matters. As we all know, few of the public know much about the common types of private insurance policies that they buy everyday, they only judge by the results, that is loss settlements, service, etc. They have no such results by which to judge national health insurance, so the only information they would have about it is from government propaganda.

It is surely time for aggressive action by all interests concerned in the preservation of private insurance. Much government propaganda has been spread for state socialism—let the other side be heard from—and forcefully.

Probe 'Phone Lead Practice

DES MOINES—The Iowa department held a hearing on insurers using the telephone in solicitation of leads for business, following complaints that the practice was becoming a nuisance.

No decision was made by the department. It may investigate further.

At least six companies are using the plan at present, with girl employees making the telephone calls, usually for hospital insurance leads.

Assails Agents Who Make Drive for Assigned Risks

The uniform automobile assigned risk plan has now been put into operation in 10 states without change, and in five states with minor amendments. One state has definitely turned down the plan.

This was made known by H. E. Curry of State Farm Mutual Automobile in reporting at the annual meeting of National Assn. of Independent Insurers at Chicago.

Mr. Curry, among other things, dealt with the commission question, saying that there are producers of record that render a valuable and worthwhile service for an assigned risk applicant and for the insurer and there are others that render virtually no service and are a source of constant irritation to the insurer. He said he deplores the action of those agents that go out and make a drive for assigned risk business and he said this raises the question as to whether such agents are rightfully entitled to a license to sell insurance. He said the insurers and insurance commissioners should seek to arrive at some plan that will not penalize reputable agents but will control the less scrupulous ones.

Mr. Curry referred to the fact that the national advisory committee desired to insert in the uniform plan a provision making an applicant ineligible for insurance if factual information can be produced to prove conclusively that he is a substantial or persistent violator of law other than in the operation of a motor vehicle.

Problems of Assignment

The speaker also reviewed the difficult problem that is involved in working out a basis for assigning buses, long haul truckers and taxicabs. The national advisory committee concluded that in this field some degree of safety and engineering work is necessary and hence an undue burden should not be placed on those insurers that do not have the personnel to handle such risks or whose financial solvency might be jeopardized by taking on any of such business. The conclusion was that if an insurer had any business on its books that it had accepted voluntarily in any of these classifications, it could not be excused from accepting assignments in such classifications.

The committee offered an inducement of double premium credit for the acceptance of such risk classifications. The provision that a subscriber shall not be required to accept an assignment of more than one unit of a given risk was to take care of the butane truck problem specifically. He said there has been some dissatisfaction on the part of applicants whose fleet coverage has had to be divided among more than one company but Mr. Curry said that so far there has been no more equitable method developed of distributing unusual risks.

When it comes to rates, he said, there is substantial justification for giving sizable increases on assigned risks due to the loss experience. However, the insurance commissioners are receiving protests from motorists, even on the score of modest surcharges and some commissioners refuse to approve any surcharge arrangement on any classification of assignment. There is a threat, either expressed or implied, that the commissioner will go to the legislature for a statutory assigned risk plan or pool.

The committee finally concluded that the 10 and 25% surcharges contained in the uniform plan represent the only basis on which there could be a unanimity of view as between the insurers and the supervisory authorities.

Mr. Curry expressed the personal conviction that the ultimate answer to

this problem lies in a revision of the driver's licensing laws. If protection for the public is sincerely desired, it will become necessary to forbid certain presently licensed motor vehicle operators the use of the highways.

Mr. Curry urged the members to seek adoption of the uniform plan in as many states as possible. He said that this is a workable plan reasonably adapted to the conditions existing in most states and creates the smallest number of problems for the greatest number of insurers and supervising authorities.

Self-Insurers Assn. to Hold Annual Meeting Dec. 9

NEW YORK—The annual meeting and dinner of Self-Insurers Assn. will be held here Dec. 9. A revised constitution will be acted upon. The program includes John M. Cullen, attorney, on "The Special Funds Conservation Committee"; Walter Linn, secretary National Council of State Self-Insurers Assns., "Dangers Betsetting Self-Insurers"; Henry D. Sayer, manager New York Compensation Rating Board, "Problems in Regard to Hospital Charges in Workmen's Compensation Cases"; and Dr. Max Helfand, Post Graduate Hospital, New York City, "Post-traumatic Psychoneurosis." Mary Donlon, chairman Workmen's Compensation Board, will lead a round table discussion.

L. M. C. Breakfast Host

Lumbermen's Mutual Casualty again will be host at breakfast to a sizable group of insurance buyers attending the insurance conference of American Management Assn. The Lumbermen's breakfast will be at the Drake hotel, Chicago, Dec. 3. The arrangements are in charge of Vice-president N. C. Flanagan.



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Make Changes in Liability Manual

Reduce Breaking Point on Excess Limits; More Risks Classed

NEW YORK—A considerable number of changes, many editorial, have been made in the general liability manual by National Bureau of Casualty Underwriters. One of the more important is the reduction of excess bodily injury and property damage limits shown in the manual.

On bodily injury this reduction is from \$500,000/\$500,000 to \$300,000/\$300,000; on property damage, from \$100,000/\$500,000 to \$50,000/\$100,000; on comprehensive liability and the farmers comprehensive personal liability, from \$500,000/\$500,000 to \$300,000/\$300,000, and on storekeepers, from \$500,000/\$500,000 to \$100,000/\$100,000.

Reinsurance Costs More

The reinsurance market for excess liability coverages has stiffened considerably. Primary carriers have had to pay more for excess than was shown in the manual tables. A reduction in the breaking point means a more realistic rating of excess amounts, on an (a) basis.

An important change in the storekeepers liability section of the O. L. & T. manual consists of setting up a new classification for private mercantile warehouses operated in connection with risks classified in this section. The rates for the new classification are 50% of the rates applicable to the retail stores in connection with which the warehouse is operated. A minimum premium per location equal to the minimum premium for the retail store applies, except where the warehouse is at the same location as the store, when there is no separate minimum applicable.

New Classes in Manual

The bulk of the changes consists of the addition to the manual of a number of classifications of previously unclassified risks. Such risks formerly were (a) rated. In the O. L. & T. manual, these new additions to the manual include athletic games sponsored by insureds, farm auctions, boats stored out of water, display booths, and miniature golf courses—which seem to be making a comeback. In the products liability manual, the classifications include air conditioning equipment of several classes, chewing gum manufacturers, cold storage locker establishments, refrigeration equipment installation, servicing and repair, frozen food products, paper goods stores, sugar refineries, and waterworks.

Products liability classifications in Louisiana, which have been (a) rated now are returned to the manual.

A number of classifications have been changed to keep the manufacturers and contractors liability manual in conformity as much as possible with the workmen's compensation manual.

O. L. & T. Change

In the O. L. & T. manual, the classification "advertising signs—indoor-electrical" code 717B is eliminated. It is intended that coverages for these signs are to be included without charge under the M. & C. or O. L. & T. policies covering insured's principal operations. Swimming pools commercially operated in connection with hotels (code 786s) is amended to indicate that it applies to operators of such pools and to owners or operators of the hotels whether or not they operate the pools. A storekeepers liability minimum premium of \$30 is adopted countrywide for cosmetics, hair or skin preparation stores. The exclusions relating to liquor law liability on Maine exception pages have been eliminated.

A. & H. Added to Raise Life Agents' Income Level

The rank and file of agents today are not making an adequate income selling life insurance, and his company started writing A. & H. insurance, primarily because the agency organization needed it. A. B. Olson, vice-president of Guarantee Mutual Life, told representatives of L.I.A.M.A. companies writing A. & H. business at their session concluding the annual meeting of L.I.A.M.A. at the Edgewater Beach hotel, Chicago. A few top-bracket life salesmen have good incomes, but in most cases they are far below the carpenter, painter or bricklayer. It was felt that the addition of A. & H. would help raise the level.

The buying public now recognizes the need for A. & H., Mr. Olson said, and the agents are thinking about the desirability of putting in A. & H. to support a life program. If their own company doesn't offer it, they are likely to get a contract elsewhere, resulting in a division of interest and allegiance. Then, too, there is more chance that they will decide to take up automobile and other lines of insurance and perhaps eventually drop life insurance entirely. Even the general agents are wondering if they shouldn't branch out, especially when the companies insist that they are independent contractors. However, A. & H., being a personal coverage, comes naturally within the scope of the life company and thus avoids this division of interest.

John W. Saylor, Business Men's Assurance, who presided, said in opening the session that an organization of that kind is especially appropriate, as the principles of life insurance are equally applicable to A. & H. and that its development quite largely parallels that of life insurance at the same stage.

Belknap Views L.I.A.M.A. Work

R. H. Belknap, Occidental Life, chairman of the A. & H. committee of L.I.A.M.A., reviewed some of its work the past year. One subject which has been given especial attention is that of the basic rate structure. Admittedly morbidity increases with advancing age, and with age not a factor in rates, in time of depression sales fall off and there is not the new blood needed to maintain a balance. As a result loss ratios might easily get beyond control. The committee has asked for a study of this question by the actuaries and then by top management. It might be necessary to grade rates by ages.

The effect of UCD on sales has been considered, but there seems to be no measurable result so far. However, there are still plenty of insurable values, and the picture might change.

E. J. Moorhead, L.I.A.M.A. actuary, reviewed a study he had made of A. & H. compensation methods, which is to be distributed to all members. The survey, covering 30 company plans, deals with four features—commission schedule, incentive provisions, vested benefits on termination and security provisions. There was an equal division as between level and non-level commission plans, but with a wide variation on the other features, including size and duration of renewals under non-level plans; the character of incentive or bonus plans, or penalties for failure to reach certain standards of volume and persistency, and also as to the extent and period of vested benefits.

Mr. Moorhead's closing comment was a word of advice that the company be sure to pay the agent for what it wants him to do.

W. M. Rothaermel, Pacific Mutual Life, speaking on "Fitting A. & H. into Training," said that was no problem with his company, in view of its basic sales philosophy that maintenance of in-

(CONTINUED ON PAGE 22)



Do any of your clients risk being only

HALF-COVERED

against power-equipment failure?

Football's too rough and rugged for half-way protective uniforms. The same idea holds true for protection against power-equipment failure. Some of your clients may feel that insurance coverage on boilers is enough. Too late, they discover that great loss can be sustained through failure of a key piece of electrical equipment. Many owners of factories, hotels, laundries and dairies realize this and act accordingly.

But there are still some who don't realize that complete protection

should cover both boiler and machinery. This is the opportunity for your agency to step in and recommend adequate coverage—plus inspections by specialists.

The Special Agent of Hartford Steam Boiler has the technical knowledge of boiler and machinery coverage to aid you in selling and servicing this type of risk. Why not check over a list of your clients now and call the Hartford man in for his helpful suggestions.



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FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

ACCIDENT AND HEALTH

Raise Endowment Fund as Memorial to Harold Gordon

Excellent progress is being made in the establishment of an endowment fund to perpetuate the memory of the late Harold R. Gordon, managing director of H. & A. Underwriters Conference, to be known as the Harold R. Gordon Memorial Fund, the income from which will be used to establish scholarships for the study of accident and health insurance and for suitable recognition of persons who have made an outstanding contribution to the business.

The initial move to looking toward the establishment of such a fund was taken by the executive committee of the conference, which set up a committee to take charge of it, headed by L. D. Cavanaugh, president of Federal Life, the other members being O. F. Davis, Illinois Bankers Life; C. O. Pauley, Great Northern Life; G. A. L'Estrange,

Capitol Life, and G. F. Manzelmann, North American Accident.

The minimum amount of the fund was set at \$10,000 and a letter was sent to all companies which are members of the conference, suggesting contributions based on the excess over a certain minimum of premium income, which should bring the fund to that amount. Chairman Cavanaugh states that the response has been very favorable and that many companies have contributed two or three times the amount indicated.

Participation Not Limited

Mr. Cavanaugh emphasizes that participation is not limited to conference companies and that contributions from any individuals and corporations in any way connected with accident and health insurance will be welcomed. He feels that there are many companies, the management of which appreciates Mr. Gordon's services over the years on behalf of accident and health insurance and will be glad to evidence that appreciation by financial support of this worthy endeavor.



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"New Approach" Now on Minimum Benefits: Downey

LOS ANGELES—Commissioner Downey addressed A. & H. Managers Club of Los Angeles on the licensing situation in the state, particularly with regard to instruction of applicants for license, and N.A.I.C. studies on A. & H. regulation.

Speaking of the uniform A. & H. policy which he proposed, he said: "The industry was dissatisfied with this approach. Now the commissioners are working on a different approach to the problem of minimum standards and benefits. The matter is in the hands of industry committees for criticism, which it is hoped will be constructive."

"We feel there should be a floor below which a policy cannot go. I am not prepared to say what that floor is. I am not concerned with the question of rates. That is the business of the industry. But the situation as it now exists in the business needs regulation to prevent the sale of policies giving trivial benefits and coverage."

He renewed his criticisms of so-called medical benefit societies in southern California, which he said are frauds in almost all instances.

In connection with license examinations, he said it is difficult to get a satisfactory series of questions, but they have been greatly improved, and the work will go on.

He pointed out that the statute requiring courses of study was initiated by the industry and not by the department. Since agents are licensed to sell both accident and health and group insurance, the department requires they be examined on these subjects, or at least have some instruction thereon.

Davis Handling Brokerage for Redfield Associates

All brokerage business heretofore handled by Redfield Associates of Chicago now is being handled by the Charles H. Davis agency there. For some time Redfield Associates has desired to devote its entire attention to the development and servicing of full time producers' business. Mr. Davis for 30 years has been active in accident and health business at Chicago and is widely known. He is associated with Redfield Associates.

For the next two months William Dunphy, who has handled the brokerage business, will be with Mr. Davis in this work.

Can't Force Disclosure of Army Medical Record

The court of appeals of Franklin county, O., reversing the common pleas court in the case of Dr. John B. McLaughlin vs. Massachusetts Indemnity, in which he sought indemnity for the loss of both eyes from a gunshot wound, has upheld the refusal of a war veteran to permit any outsider to view his army medical service record in VA files without his consent. The court also held that the matter of refusal was not a matter of comment before a jury, nor could reasons for such action be required of him in cross-examination.

Fight Va. Mail Order Ban

RICHMOND—Travelers Health of Omaha is appealing from an order of the state corporation commission of Virginia directing it to cease doing business in Virginia. It writes policies by mail and is said to have more than 800 policyholders in Virginia. The case is scheduled to be heard at November term of the supreme court of appeals. The commission contends that the case comes under the "blue sky" law of Virginia. The company, on the other hand, insists that the commission cannot constitutionally enforce an order aimed at the use of the mails by an out-of-state corporation.

Lake Cruise for N. A. Agents

Representatives of North American Accident qualifying for the 1949 convention will be treated to a two-day cruise on Lake Michigan June 23-24. They will travel aboard the ship North American from Escanaba, Mich., to Chicago, where the festivities will conclude with a dinner and dance.

Jackson K. C. Speaker

Will W. Jackson, vice-president of American Hospital & Life, spoke on "Selling as an Art and as a Service" at the Nov. 12 meeting of Kansas City Assn. of A. & H. Underwriters.

Attorney Is Speaker

San Francisco Accident & Health Managers Assn. heard Allyson E. Schofield, attorney, speak on unusual wills.

Crandall Utah Speaker

At the November meeting of Utah A. & H. Club at Salt Lake City, D. Ford Crandall, superintendent of Met-

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ropolitan Life, spoke on "Work Habits." He favors a prepared sales talk built around family needs.

President J. P. Allein named a special committee to work with the club's committee on legislation at the coming legislature session, with F. Edward Walker, Mutual Benefit H. & A., as chairman.

COMPANIES

Fidelity & Deposit Has Plan for \$3 Million Capital

Stockholders of Fidelity & Deposit, at the annual meeting Feb. 16, will vote on a capital reorganization plan which has been recommended by the directors. The result would be a capitalization of \$3 million consisting of 300,000 shares of \$10 par value.

Presently the capital consists of \$2,400,000 comprised of 120,000 shares of \$20 par value. In addition to reducing the par value, a stock dividend of \$600,000 would be paid.

Directors contemplate a quarterly dividend rate of 65 cents per share on the new stock. This is the equivalent of an annual dividend of \$6.50 per share on the basis of the present capital stock as compared with \$6 that has been paid in recent years.

Provision for Present Stockholders

Present stockholders, under the plan, would receive two shares of the new \$10 par value stock for every one share of the present \$20 par and also would receive as a stock dividend one share of the new \$10 par stock for every four shares of the new \$10 par stock owned on the record dates.

President Frank A. Bach expressed the belief that the split-up of stock will cause a wider distribution and render it more readily salable by making it available to small investors at a more appealing price. Also it will give the company a better balanced capital and surplus structure. In 1932 capital of F. & D. was reduced from \$6 million to \$2,400,000 and the balance of \$3,600,000 was added to surplus. This was accomplished by reducing the par value from \$50 a share to \$20.

New Louisville Home

LOUISVILLE—Kentucky Farm Bureau Mutual has moved to 120 South Hubbard Lane, where Kentucky Farm Bureau Federation has erected a new office building.

Western Group Shows Gains

Western Casualty & Surety and Western Fire for the first nine months had joint premium income of \$10,290,291, a gain of \$2,135,858 over a year ago. Assets were up \$1,933,912, to \$16,854,077.

The casualty company had assets of \$12,298,064 and surplus to policyholders of \$2,400,351. The fire company's assets were \$4,356,013 and surplus \$1,162,360.

New Home Is Projected

Farmers Mutual Liability of Indianapolis is seeking permission to put up a \$250,000 home office building at 2953-57 North Meridian street. This would be a two-story structure. The company is now located at 2105 North Meridian.

Stock Dividend O.K'd.

Associated Veterans Aircraft & Automotive, Los Angeles, has been authorized by the California department to issue 1,000 shares of stock of \$50 par value to be used as a stock dividend at the ratio of one new share for each two shares previously held.

CHANGES IN CASUALTY FIELD

Osgood Retires, McGoun in Charge

William A. Osgood retired this week as manager at Chicago for Indemnity of North America and he is succeeded by Samuel H. McGoun, Jr.

Mr. Osgood is a veteran of 40 years in the casualty-surety field, having started in 1908 at Kansas City with the general agency of U. S. Casualty. Subsequently he saw service with Fidelity & Deposit, Southern Surety and Independence Indemnity before becoming associated with Indemnity of North America at the head office. He has been located at Chicago since 1933. He has been one of the prominent Chicago casualty managers and was a founder and former member of the governing committee of Cook County Acquisition Cost Conference. He plans to start off in a few days on a motor trip to California and expects to return to his home at Winnetka, Ill., about the end of January.

Mr. McGoun has been located at Chicago for the past several weeks preparing to take over the command there. He was previously manager at Detroit. He graduated from Pennsylvania State College and then operated as a local agent. His next step was to Indemnity of North America as a special agent in the east. He served in the war and upon his return became Michigan manager.

Public National Makes Three New Appointments

Theodore S. Pearce, formerly claims manager for Eureka Casualty, has been appointed home office claims manager for Public National. Mr. Pearce is leaving Eureka after serving seven years. He attended University of Kansas and holds an LL.B. degree from Washburn College of Topeka.

He is a member of the bar in Kansas and Pennsylvania. He has supervised claim work on a nation-wide basis for fourteen years. Mr. Pearce will take over his new position Dec. 1.

The company also announced appointment of Edward J. Gillott as field man for Florida. He has been with National Bureau of Casualty Underwriters since 1935, except for war leave during which he served as an army officer in the states and European theatre. He has instructed in general brokers course at Brooklyn Academy and lectured at Delahanty Institute in New York City. His position with the National Bureau was assistant manager of burglary and plate glass division.

The company also appointed Clarence A. Maxwell to its engineering division. Mr. Maxwell is a graduate of Franklin and Marshall College. He was formerly with the workmen's compensation fund of Pennsylvania for five years, following which he had extensive experience in audit and safety engineering department of American Casualty.

Appoints Two in N. J.

American Casualty has promoted Joseph Manko to special agent in northern New Jersey territory. He has been with the Newark branch about three years and was formerly in the underwriting department.

Howard A. Rhodes has been placed in charge of the accident and health department at Newark as special agent. He was formerly with Commercial Casualty there as accident and health underwriter.

Frasch to Cramsie-Laadt

Fred W. Frasch has gone with the Cramsie-Laadt & Co. agency of Chicago as manager of the automobile and burglary department. He has been in

the business for seven years, all the time with American-Associated companies, as underwriter of automobile, compensation, liability and other casualty lines, fire and inland marine. He resigned that post to go with Cramsie-Laadt.

Makes Suburban Move

The eastern division office of American Mutual Liability is to be moved from New York City to White Plains, N. Y., March 1 of next year.

An Atlanta office has just been opened at 800 Peachtree street, N. E., and the district offices at Bridgeport, Conn., and Jacksonville, Fla., are being shifted to new locations.

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George M. Yamada, Honolulu
Barney Vanston & Co., Dallas

COMPENSATION

Labor Seeks Monopolistic "Comp" State Fund in Mass.

BOSTON—Organized labor came out in force before the special Massachusetts legislative recess commission studying the workmen's compensation law, with a demand for establishment of an exclusive compensation state fund.

Samuel B. Horowitz, compensation attorney for Massachusetts Federation of Labor, asked for a fund administered by a self-perpetuating board of trustees which would be "out of politics" and which would provide greater benefits to injured workmen by eliminating the profits of private insurers.

He claimed the insurance companies in 1946 collected more than \$500 million in workmen's compensation premiums and paid out about \$279 million. His request for a state fund was supported by officers of various state union organizations.

Benjamin B. Priest, general counsel of Insurance Federation of Massachusetts, opposed the proposition, declaring that the profits of the insurers from 1912

to 1947 averaged only 1.456%. The average aggregate profits in a year for all companies, he said, were only \$200,000.

Mr. Priest warned that under a state fund the state would lose more than \$1 million annually in taxes, as the state fund would pay no taxes. He said competition among insurers helped in the maintenance of a fair charge to employers and prompt payment of claims to injured workmen.

The plan was also opposed by George E. Roberts, counsel of the American Mutual Alliance and Myles W. Illingworth, counsel of the Massachusetts Motor Truck Assn.

Policy Shifted by Ruling

ST. PAUL—A wife who gives practical nursing to her injured husband is entitled to pay from the employer and in addition the employer is liable for necessary expenses incidental to a change of climate recommended for the employee by the attending physician. This ruling by the Minnesota Industrial Commission sets up a new compensation policy in this state.

The case was that of Albert Watters against Northern States Power Co. Watters was injured by a 4,000 volt

flashover in a transmission station and a year later became temporarily totally disabled. For 80 weeks thereafter the company paid him his full wages but he filed a claim for \$20 a week compensation in addition. The industrial commission denied this claim, but awarded his wife, \$3,915 for nursing him at \$5 a day on the ground that she had to give up her job as a cook to take care of him.

Watters also was awarded \$1,366 for travel expense to Arizona because his physician had recommended the trip.

Hartford City Cover Up

Under a plan now being prepared for submission to the Hartford city council, the workmen's compensation risk of the city will be insured with Travelers as the administering company with Aetna Casualty and Hartford Accident sharing in the cover. Earlier plans for self-insurance have been dropped. The provision in previous insurance for full pay for policemen and firemen will be dropped and they will receive one-half pay, the same as other municipal employees. However, the new personnel rules are expected to provide full pay for all employees injured on duty.

Safety Casualty has been chartered in Delaware with maximum authorized capital of \$25,000. Corporation Trust Co., Wilmington, is the principal office of the company.

SURETY

Hecht New President of Southern California Assn.

LOS ANGELES—Surety Underwriters Assn. of Southern California elected these officers: President, Robert Hecht, Fidelity & Deposit; vice-president, Myron C. Higbee, National Surety; secretary, Carl Slininger, Pacific Indemnity; executive committee, Robert Hecht, chairman; Myron C. Higbee, Carl Slininger, Dan E. Gorton, Fidelity & Deposit; A. I. Zimmerman, American Surety; W. C. Phillips, Travelers Indemnity; Ellis P. Schmidt, Continental Casualty.

Bond Reclamation Projects

Utah Construction Co., San Francisco and Ogden, Utah, has been awarded the contract by the bureau of reclamation, for the work on Bonny Dam and St. Francis unit, Missouri basin project, at the bid price of \$10,301,653. Aetna Casualty, through its Salt Lake City office, will execute the payment and performance bond.

Peter Kiewit & Sons Co., Los Angeles, submitted the low bid of \$7,494,372 when the bureau of reclamation opened bids for work on the Friant-Kern canal, Central Valley project of California. Aetna Casualty is on the bid bond.

Big Bond at Detroit

Maryland Casualty with U.S.F.&G., Standard Accident, Travelers Indemnity and National Surety as co-sureties, have signed an \$8,369,700 performance and labor and material bond on construction of the Hubbell Southfield outlet sewer at Detroit. Allied Contractors, consisting of S. A. Healy Co., Gargaro Co., Chandler & Bass, Mancini Construction Co., and Miller Thompson Co., are the contractors.

Rollie Barnum, Big Nine athletic official and former star athlete and athletic coach, discussed collegiate sports at the luncheon meeting of Surety Underwriters Assn. of Milwaukee Nov. 5.

Aetna Men Hear Old Grad

James D. Mackey of Dumont, N. Y., was the principal speaker at the dinner concluding the 104th session of the Aetna Casualty sales course. He was a

graduate of the 97th session of the course. He told the 35 members of the class of the many opportunities for personal advancement in the insurance business as well as the public service that can be rendered when an agent enthusiastically avails himself of them.

Leading the graduating class was Glenn H. Ellington of Milwaukee, who received the top blue ribbon award for scholarship and the gold ribbon award as the winner of the salesmanship competition.

Tennessee Odin has been admitted to Virginia.

WANT ADS

ATTORNEY AVAILABLE

Early 40's, thorough Casualty home office claims and legal experience. Fully conversant with rate regulatory laws and allied legislation. Now employed, but desires change involving greater responsibility. Address S-42, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

COMPENSATION UNDERWRITER WANTED

for position as assistant department manager. Must have thorough knowledge of "bureau" procedure in eastern states and experience in classification. Unit statistical knowledge not required but of distinct advantage. This opening offers a good position now and an excellent future opportunity.

The
Shelby Mutual Casualty Company
Shelby, Ohio

WORKMEN'S COMPENSATION PRODUCER

Excellent opportunity, especially if familiar with retrospective or participating plans. Texas territory only.

TEXAS INDEMNITY INSURANCE CO.
P.O. BOX 1259
Galveston, Texas

WANTED

Safety Supervisor by a large Midwestern public utility system. Desire man with engineering training between age 30 and 45, well grounded in electric and gas safety measures and competent to supervise safety activities. Applicant should be qualified to make inspections and prepare reports to management. Write full details of experience, age, qualifications and salary.

Address: S-35, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois

CASUALTY

Unusual experience for young man in early thirties in large agency. Must have good underwriting experience and interest in supervision and direction. Must be earning over \$300 a month at present. Address S-36, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Stock Casualty Surety Company desires Senior Underwriter Southern Departmental Office possessing ability qualify Manager Casualty Department. Reply giving essential details of qualifications. Address S-40, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER

Nation wide Casualty Company desires the services of a qualified all line casualty underwriter for a Home Office position in Los Angeles, California. Excellent opportunity for advancement. Forty hour week. When replying state age, experience and salary requirements. Address S-31, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Launch Plan for Mountain States Territorial Rally

The directors of Colorado Assn. of Insurance Agents at a meeting at Montrose took up tentative plans for the regional territorial conference to be held at Colorado Springs April 1-2 by the New Mexico, Wyoming and Colorado associations. Ralph E. Austin, La Junta, state national director for Colorado, is chairman of the regional organization and Charles D. Hopkins of Colorado Springs, president of the Colorado association, is general chairman of conference arrangements.

This was the first meeting of the directors to be held in western Colorado and was timed to coincide with the monthly meeting of the Western Slope Assn. of Insurance Agents. M. N. Due of Grand Junction is the Western Slope's representative on the board of the Colorado association.

Principal questions under consideration, in addition to the mid-year conference, had to do with membership, legislation and budget. Thurston Jenkins, membership chairman, presented his program for continuation of the campaign which won for the Colorado association the Connecticut cup awarded at the recent Chicago N. A. I. A. meeting for membership and local board development. Ted Wendelin, legislative chairman, discussed procedure in connection with several bills which the directors hope to have considered by the legislature in January.

Ralph P. King of Montrose, former director of the association, entertained the directors at lunch and again at his home prior to the evening meeting. Members of the Western Slope association were present for the dinner meeting. Speaker of the evening was W. W. Berry of Denver, manager of New Amsterdam Casualty. There were about 40 at the dinner with Marshall Douglass of Grand Junction, president of the Western Slope group as chairman.

S. E. Missouri Agents Elect

POPLAR BLUFF, MO.—Walter B. Bernard, Caruthersville, was elected president of Southeast Missouri Assn. of Insurance Agents at the annual meeting here. He succeeds C. Clarence Scott, Sikeston. James V. Corrigan, Poplar Bluff is vice-president, and Iverson Michie, Caruthersville, secretary. Directors will be elected at the next meeting.

There was an attendance of about 70, including a number of field men and home office representatives.

Peterson Survey Head

Robert E. Peterson, assistant automobile underwriter in the Pacific department of Providence Washington, has been appointed superintendent of the survey department, succeeding Paul E. March, who has resigned to return to active duty with the navy. Lt. March will be stationed at the San Diego electronic school.

Dithmer at Mishawaka

Walter G. Dithmer, Ray & Dithmer general agency, Indianapolis, chairman of Indiana public relations committee, will talk on "Do We Mind Our Business?" before South Bend-Mishawaka Assn. of Insurance Agents at Mishawaka the evening of Nov. 18.

Opens St. Cloud Unit

Western Adjustment has established a branch office at St. Cloud, Minn. in charge of Resident Adjuster R. E. Van-Gundy. He is a 12-year man with the adjustment company and has served at Cedar Rapids, Topeka, and Jefferson City. The St. Cloud Office will operate under the supervision of Minneapolis branch.

The Van Dyke & Co. agency, Marshall, Mo., has purchased the Charles D. Bodine agency.

The C. L. Malone agency, Sikeston, Mo., has been purchased by the Mitchell agency.

Course for Newer Agents

BOSTON—An educational course for newer fieldmen, to extend over five weeks, has been started by the Bay State Club of Boston. The sessions will be held for two hours on Monday afternoons and will be addressed by heads of various divisions of the New England Fire Insurance Rating Assn. Following a talk by the executive manager of the association leading executives of Eastern Inspection Bureau, Underwriters Salvage Co. General Adjustment Bureau, Insurance Library Assn. and arson division of the National Board, and other service organizations will be heard from. The course will start Jan. 17.

R-B-H Host to Buyers

The Rollins-Burdick-Hunter Co. agency of Chicago will again be a host to its friends in the insurance section of American Management Assn. at a reception and buffet dinner Dec. 2 at the Drake Hotel, Chicago. This will be an especially festive event, since it coincides with the 50th anniversary of the Rollins-Burdick-Hunter Co. and the reception is referred to in the invitation as the "Golden Anniversary Reception."

Pseudo Court Staged

LOS ANGELES—Insurance Assn. of Los Angeles at its November meeting had a program dealing entirely with traffic safety.

Municipal Judge Roger Pfaff, currently the Nemesis of motorists caught violating traffic laws, set up a pseudo court at the meeting, and tried three persons for violation of the law.

Richmond, Va., Loss \$350,000

About \$250,000 estimated loss occurred in fire on the top floor of the Rountree Furniture Co. store, Richmond, Va., Nov. 12. Fire spread to the Masonic building, five-story brick structure next door and caused estimated damage of \$75,000 to it.

Gerson's furniture store, occupying the street floor, suffered considerable damage. There was \$15,000 in stock insurance on the Rountree building, \$5,000 fixtures and \$20,000 U. and O. The remainder was reported in mutuals. Stock insurance was \$38,000 on Gerson's stock, but no U. & O.

John Newlands, general attorney, and G. S. Tompkins, U. S. manager of Scottish Union, are on a visit of western offices of the company. The trip started at Chicago and they visited Denver and San Francisco. On the return they will go through Oregon, Minneapolis, Milwaukee and Chicago.

The agency of the late L. T. McKinney at Marceline, Mo., has been purchased from his widow by Jack C. Wrenn of Marceline.

PERSONALS

Hal A. White, executive secretary of Standard Accident, has been elected president of Plum Hollow Golf Club, Detroit.

C. L. Morris, secretary and general manager of Illinois National Casualty, has been reappointed chairman of the legislative committee of Illinois State Chamber of Commerce.

Lee H. L. Jansen, assistant manager of Hartford Accident at San Francisco, suffered several broken ribs in a fall on the stairway at his home.

E. J. Faulkner, president of Woodmen Accident and associated companies, and W. W. Putney, president of Midwest Life, are among the nominees for directors of the Lincoln Chamber of Commerce. Mr. Faulkner is now a member of the board.

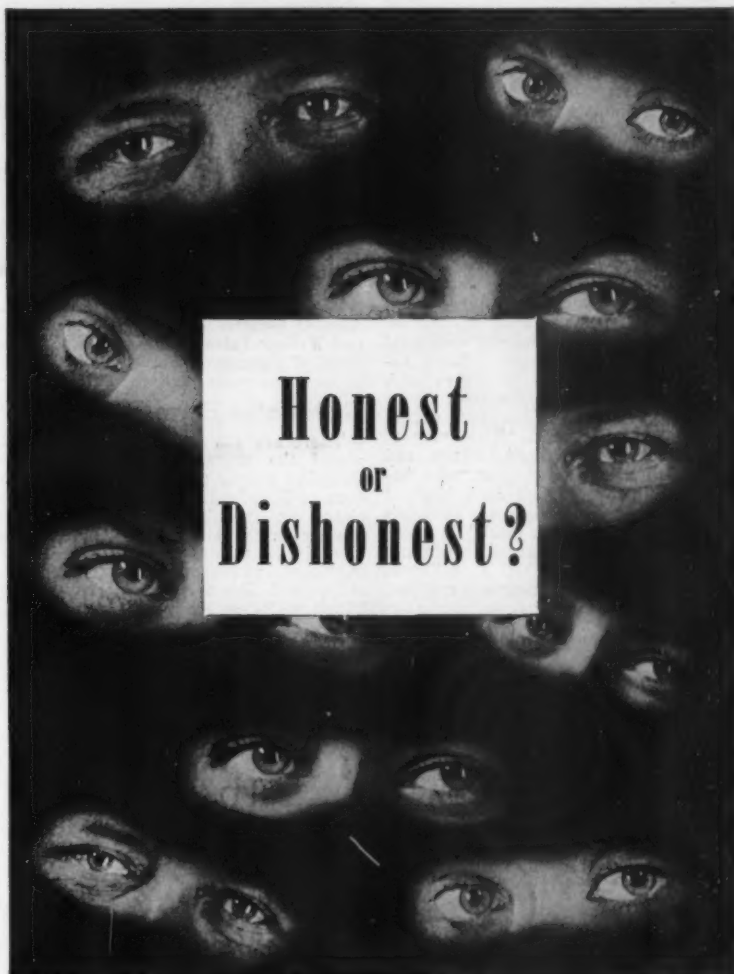
Jesse W. Randall, president of Travelers, has been elected vice-president of Connecticut Council of Churches.

Publish New Block Index

A block index to published advisory rates for Tacoma has been released by Washington Surveying & Rating Bureau and similar works are being compiled for Seattle and Spokane. The index is useful in obtaining published rates from advisory rate books without having to refer to the Sanborn map for rating reference. It will be necessary for users to insert new block references for new risks under correct street address to maintain an up-to-date record, and for this purpose blank pages have been provided.

Consider "Comp" Law

JACKSON, MISS.—Mississippi Assn. of Insurance Agents has scheduled a series of seminars on Workmen's Compensation insurance at Tupelo, Cleveland, Jackson, Hattiesburg, and Gulfport. Speakers include J. W. Fitzpatrick, Maryland Casualty, Baltimore; Henry Buckman, Zurich, Chicago; V. G. Lowe, Walter Dell Davis, chairman of Mississippi Workmen's Compensation Commission, and W. F. Laughlin, rating director of Mississippi Insurance Commission, both at Jackson.



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Federal Life & Casualty Co., Detroit 2, Mich.

A. & H. Added to Raise Life Agents Income Level

(CONTINUED FROM PAGE 17)

come is the most important thing in life. It is the common denominator of need in the life of every man. There are four contingencies that interfere with maintenance of income—death, old age, sickness and accident. Life insurance takes care of the first two but Pacific Mutual in its combination policy puts them all in the same category. The new agent doesn't know that there is any separation.

Frank S. Finch, United Benefit Life, who discussed merchandising A. & H. in today's market, dealt largely with direct mail and similar methods, including doorhangers and telephone campaigns. He started out with a reference to the unexpected result of the recent election, which he attributed to complacency, and said that is the biggest thing the home office has to overcome in selling salesmen.

On the general subject of direct mail for leads, he said it costs a lot of money and can't be carried on successfully on a small scale. Its primary purpose is to enable the agent to get his toe in the door. Its success is figured not on the basis of leads sent in, but of sales made, and that means collateral sales as well as direct sales. Many returns are from men 73 years old, crippled or otherwise uninsurable. Some agents toss those aside, but others make the calls any way. "That man of 73 has children and grandchildren, and I sell them," says one agent who believes in following up all such leads.

In general the persistency of business sold from a "lead pitch" is poor, with lapses of 30% on second premium payment unless there is a callback. Some agencies use a conservation letter, cutting lapse to 20%.

HEADLINERS AT WHITE SULPHUR



Wheaton A. Williams, Minneapolis, president National Assn. of Casualty & Surety Agents; General Eichelberger, main speaker at White Sulphur casualty convention, and Wallace Falvey, president of Massachusetts Bonding and president of International Assn. of Casualty & Surety Underwriters.

Graduates Form Band

There are 493 agents who have completed the course offered at Hartford Training Center that have become members of Hartford Training Center Associates, an organization of graduates of the fire, or casualty and bonding courses, who desire to maintain through correspondence and cooperation the relationships and identity of interests established while at Hartford. Members of

the staff of Hartford Fire and Hartford Accident, numbering 491, as well as agents, have been furnished with identification "Associates certificates."

Many of these agents intend to exchange business with members in other states when occasion warrants it.

Socialization Assailed

WAUSAU, WIS.—Socialization of insurance and medicine was assailed by George Hipp, manager group department Employers Mutual of Wausau, before Wausau Kiwanis Club. He said bills providing for government compulsory plans will not reduce the cost of medical care and that instead a substantially increased payroll deduction will ultimately result. He stated that a compulsory health bill is all ready for introduction at the next session of the Wisconsin legislature, with the entire administration under the unemployment compensation division.

A. & H. Men Hear Huttinger

E. Paul Huttinger, 2nd vice-president of Penn Mutual Life and president of Sales Managers Assn., Philadelphia, addressed the November meeting of A. & H. Club of Philadelphia on "Good Pay for Doing Good."

In an interesting talk on salesmanship, he stressed that the primary importance of selling insurance is in doing good for others by meeting the needs of clients, and that the monetary return will follow.

Hedges Speaks at Cedar Rapids

Bert A. Hedges, Kansas manager of Business Men's Assurance, was speaker at a joint meeting of the Cedar Rapids Life Underwriters Assn. and the Cedar Rapids A. & H. Underwriters Assn.

Writes Two Big Bonds

Manufacturers Casualty has written a construction bond of \$1,744,320 covering erection of a building for the atomic energy commission in the Imperial Valley of California. The contractor is the Trepte Construction Co., San Diego.

Manufacturers last month wrote an \$800,000 contract bond for Virginia Engineering Co. of Newport News, covering construction of the southeast pumping station for the City of Philadelphia.

George Edmondson, general agent at Tampa, Fla., was at New York to speak before New York Touchdown Club last week. This is a group of Monday morning quarterbacks, men of distinction from all walks of life.

Insurance Buyers Have Full Card in Iowa

A group of about 60 insurance buyers from the territory within range of Davenport, Ia., are gathering for a conference at Davenport Thursday of this week that is sponsored by the Chester L. Gates Co., insurance advisers of Davenport. At the morning session with John E. McCracken, Davenport attorney, as moderator, there will be talks on accident and health group plans by R. C. Niblo of Aetna Life, Des Moines, on group life and annuities by A. T. Ackerman of Equitable Society, Chicago, and on reasons for higher liability limits by F. J. McLaughlin, Davenport attorney.

Mayor A. J. Kroppach is presiding at the luncheon meeting. The afternoon speakers are Paul J. Brown of Lumbermen's Mutual Casualty on burglary insurance and bonds; Mr. McCracken on claims procedure; Robert Ramey of Travelers on boiler and machinery coverages; H. W. Lindholm of the Lloyd Thomas Appraisal Co., Minneapolis, on determining insurable values by appraisal; J. J. Loula, Lumbermen's Mutual Casualty safety engineer, Davenport, on accident prevention methods and M. B. Goff, resident vice-president Employers Mutual Liability, Chicago, on workmen's compensation contracts.

There will be a dinner and then an evening session on public liability trends by Mr. Goff and on fire insurance by C. H. Kramer of Manufacturers Mutual Fire, Chicago.

Aviation Insurance Parley

The aviation division of New York Board of Trade is holding an aviation insurance conference Nov. 23. Of the 11 men on the panel to answer questions and discuss how insurance underlies aviation's progress, the following are insurance representatives—Mortimer E. Sprague, Home; Harold C. Jackson, William H. McGee & Co.; John Rogers, Jr., Chubb & Son; and D. Murray Stewart, Aero Insurance Underwriters. The others are men from the aviation field and include Jerome Lederer of Flight Safety Foundation, formerly with Aero.

Hugh N. Purple, branch underwriter of Travelers in Chicago, is retiring on pension at the end of the year. He started with Travelers in 1913 in the home office training school. His first assignment was Cleveland, where he served two years, and then he transferred to Philadelphia. He enlisted in the navy in the first war and served two years. When discharged from service he was sent to Chicago in charge of accident and health underwriting.

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Air Interstate Rating Differences

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business which should be given special rating treatment, just as is given oil, railroad, cotton and other risks. He pointed out that national rating plans were used by the casualty and surety organizations. It was also indicated that although the companies have allocated losses to certain classes of business through the National Board's classification system, they have never allocated expenses to certain lines of business, resulting in a lack of figures. Regulation 30, the department's uniform accounting proposal, may develop some helpful data in this field, it was said.

A satisfactory loss ratio on this business, in Mr. Conick's opinion, is around 50-52% but that figure does not leave any margin for profit or for catastrophe reserve.

Not Like Casualty Rates

Attorney Abraham Kaplan, representing New York Fire Insurance Rating Organization, handled the questioning for the "defense." He countered with questions revealing the opinion that the casualty and surety national rate making programs are not in any way similar to the problems of the fire people. The casualty and surety people are less concerned with the catastrophe problem, for they are much better able to predict their losses. Oil, and other specially rated risks, are not germane to the multiple location rating program, it was stated.

The added costs apparently balance the savings in the underwriting of multiple location business, although neither the savings nor the costs had ever been measured, the industry testimony indicated, although the department disputes this.

Want Cost Accounting Study

In summing up the testimony it was brought out that the industry is now attempting to develop cost data to support a system whereby the credit and debit procedure or a modification of it may later be adopted. The industry wants to have statistics and experience to back up any special treatment given so that it will not be using an illegal procedure. Deputy Martineau pointed out that no new procedure could ever be adopted because it is a manifest impossibility to have experience figures on something that has yet to be tried.

Speaking at the request of the department, Ernest L. Clark, insurance manager for J. C. Penney Co., a chain store having 1,600 locations, advocated special treatment for large risks such as his. The treatment should give the large risks credit for fire prevention activities and good management, he feels. His firm spends \$60,000 a year on fire prevention engineering and is entitled to special treatment, he stated. Since January, 1944, it has had a good loss ratio. Its premiums paid were \$4,395,000 and losses were \$1,454,000. His firm designs its stores with fire prevention in mind, and has a laboratory to check on flammability of decorations, etc. In general he stated that chain stores are a special type risk and require special rating treatment. Questions by Mr. Kaplan clarified several points he made in his testimony.

The hearing was to continue Nov. 18, with Ivan Escott, vice-president of Home, to be the principal witness.

The Morton Salt Case

At an earlier hearing Mr. Kaplan demonstrated, by his questioning, that the industry has doubt that the system of applying rate credits and debits will stand up legally. He tried to extract from witnesses expressions of opinion as to the desirability of an industry cost accounting study of the expenses involved in interstate underwriting and of general cover departments. Without this cost accounting survey, it was feared

that the companies might run afoul of the Supreme Court ruling in the Morton Salt case in which it was held that the seller must justify discounts given large quantity buyers. He further attempted to show that multiple location risks are not a special class of business but an amalgamation of many classes.

Producers Speak Up

Representing National Assn. of Insurance Brokers, and Insurance Brokers Assn. of New York, E. W. Sawyer remarked that the failure of the industry to find a solution to the interstate underwriting problem in the past 3½ years was of deep concern to brokers. If the viewpoint that multiple location risks are not a special class and to give them special treatment would be illegal is carried into other fields, he said that it would be difficult for the brokers to understand why rates made by other national rating organizations are not illegal also. If giving special rate treatment to multiple location risks is now unfairly discriminatory and illegal, then it has been that way for all the years Interstate Underwriters Board operated. And was illegal last June when the continuation of the special treatment was urged upon National Assn. of Insurance Commissioners by the industry, he stated. Perhaps state legislatures should be asked to legalize special treatment, he added.

National Assn. of Insurance Agents represented by Walter M. Sheldon, Chicago, expressed great concern over the "unsatisfactory conditions which have existed since June 30, 1948 in the rating of multiple location risks."

He said that the agents feel that the public and the agents have been deprived of a method of rating that has been of use over a long period of years without replacement by another plan to meet the needs of the public. Furthermore, he said, "It is the belief of insurance agents that a satisfactory plan must recognize the necessity of treating multiple location risks at a single rate based on special underwriting rules and rating formulae."

Wants to Cross Examine

Mr. Kaplan questioned the value of the documents presented by the New York department and stated that the industry wished to cross-examine the people who produced the department's report. Roy C. McCullough, special assistant to the New York superintendent, through Deputy Superintendent Martineau who conducted the hearing, said that the department would be glad to extend its authority to subpoena to the rating organization so that it could call to testify any person that the New York department would have authority to require to appear.

Frederick W. Doremus, secretary-manager Eastern Underwriters Assn., during questioning by Mr. McCullough, outlined the functions of the E.U.A., particularly the work of its rating methods research committee which helped to develop the new interstate rating plan. This plan was sent out by E.U.A. to the rating organizations during the summer and was later approved by them and filed in the respective states. During the cross-examination of Mr. Doremus by Mr. Kaplan, it was brought out that E.U.A. acts only in an advisory capacity and that the rating organizations were not obliged to accept its communications.

Savings and Added Expenses

Appearing at the request of the department, Franklin B. Tuttle, vice-president of Atlantic Mutual, indicated that he did not go along with the industry spokesmen in support of a new plan. He supported the viewpoint that multiple location risks are entitled to special treatment.

While questioned by Mr. McCullough,

he indicated that there are savings on multiple location business due to the reduction of collection, policy writing, commissions, administration, credit reports, audits, etc. He stated, however, that his company was a small writer of general cover business. In answer to the question of Mr. Kaplan as to whether the additional costs in writing this business exceeded the savings he admitted that he had never had a cost analysis made and consequently couldn't answer.

Objections to Exhibits

As various exhibits were submitted by Mr. McCullough, some of them ran into objections by Mr. Kaplan on one ground or another. Mr. Kaplan took particular issue with the tabulation of the experience on multiple location risks collected

by I. U. B. as statistical agent for the New York department for all companies. He pointed out that the figures are not scientifically prepared and that the premiums are not allocated at all times to the state where the risk was located. He also said that they were on a paid-written basis and did not show the true experience. The figures on 1947 experience showed a loss ratio of 46.3% on a paid written basis and 56.8% on an earned-incurred basis. He said that more figures were needed and suggested that a five year study might be necessary.

T. D. McCall, assistant manager, I.U.B., prefacing his testimony with the remark that he was speaking as an individual and not as a spokesman for I.U.B., predecessor to Multiple Location Service Office, answered many ques-



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CONSULTANTS AND INTERMEDIARIES

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tions concerning the operation of the I.U.B. system of rating multiple location risks. He said that the data and experience backing up the figures on which the discounts and surcharges were made had never been compiled and were not available. The experience on I.U.B. business became much worse in later years than it was formerly.

"Lawyers Having Their Day"

The "lawyers are having their day," Mr. McCullough and the next witness, John R. Dumont, manager, I.U.B., agreed. Mr. Dumont said that he hadn't had a chance to study the Morton Salt case and that it might possibly change his opinion in regard to the credit and debit system of rating. In his questioning, Mr. Kaplan stated that the Morton Salt decision threw upon the industry a need to prove the ground on which discounts were given to large quantity buyers. He questioned Mr. Dumont as to the cost of operating the I.U.B., general cover departments, and asked, "How could the companies determine this cost?" Mr. Dumont answered that a cost accounting analysis would be required.

"If such a cost analysis were made, would the result of such a survey resolve the uncertainties in your mind concerning the operating costs?" Mr. Kaplan asked. "I believe it would," Mr. Dumont responded. The second hearing was then adjourned.

Insurance Square Club Elects

NEWARK—Insurance Square Club of New Jersey has elected as president R. Denton Kretzer, state agent of Fidelity & Guaranty. First vice-president is Kenneth G. Long, Century Indemnity; second vice-president, Carl F. Fry, Boston; treasurer, Edgar O. Rose, Pacific National Fire; secretary, Frederick J. Pye, Fire Insurance Rating Organization of New Jersey. Mr. Pye has been made permanent secretary.

Credit Men to Hear Ringer

Hartford Assn. of Credit Men will observe insurance night at its meeting this week. L. Ray Ringer, educational director of Aetna Fire, will speak on insurance credits.

★ ★ FIRE ★ ★



REINSURANCE

THE OLDEST INSURANCE
COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

White Sulphur Festivities Return

(CONTINUED FROM PAGE 15)

paines. Each knows that he has to have the other.

The feature of the Armistice Day program was a talk by Gen. Robert L. Eichelberger, who reviewed some of the things that impressed him in the last war, particularly in the Pacific, where he served with distinction, and possibilities that lie ahead. He paid tribute to the fighting qualities of the Japanese, and said that the people of Hiroshima, surprised at the attention they received after being hit by the first atom bomb, now are proud of being residents of one of the most distinctive cities in the world.

Six commissioners were guests and at the joint meeting of the two groups, Mr. Williams presented David S. Butler, West Virginia; David A. Forbes, Michigan; Nellis P. Parkinson, Illinois; C. F. J. Harrington, Massachusetts; James F. Malone, Pennsylvania; and C. J. Gough, New Jersey deputy commissioner.

Frederick Richardson Reminisces

Mr. Falvey introduced other distinguished guests, including Frederick Richardson, who before becoming chairman of General Accident at the home office in Scotland, was for 25 years United States manager for that company. Mr. Richardson recalled his attendance at the meeting of the association in 1916, and he brought greetings from British insurance interests.

The business had troubles then and still has them, he said, but it is growing. It made up a loss of \$3 billion in 1929-31, and is still doing well. Certainly, the business does not deserve to starve. It does a service to the community, it has steered a sound course, it has continued to go forward and will continue to do so.

He recalled that in 1932, speaking before the commerce school of University of Pennsylvania, he had pointed out that whereas the fire companies in the depression emergency had large surplus funds and were writing comparatively small businesses, the casualty companies were writing a large business with comparatively small surpluses. The fire companies had had many years to build that surplus by the simple process of compound interest. The younger casualty companies hadn't had that time. However, in the intervening years, the casualty companies have built their surpluses.

Ferguson Ends Long Trip

Mr. Falvey also introduced E. B. Ferguson, managing director of London Guarantee, who has been a frequent visitor to the United States. Mr. Ferguson said he would like to see something like the joint convention at White Sulphur in the United Kingdom. There, he said, they are too serious and too busy. He is just completing a 36,000 mile trip around the world, observing insurance conditions. He said this had renewed his conviction that no business carries as high a degree of integrity as does insurance. Mr. Ferguson was returning to New York at the end of the convention to sail for London on the Mauretania.

W. E. McKell, president of the New York Casualty, headed the nominating committee, and H. P. Stellwagen, vice-president Indemnity of North America, resolutions. For the agents group, Lyle McKown, Minneapolis, headed resolutions, and E. R. Ledbetter, Oklahoma City, nominations.

At the suggestion of Charles H. Burras, Chicago, the two groups voted to send C. M. Cartwright, retired editor of THE NATIONAL UNDERWRITER, felicitations on his birthday anniversary. Mr. Burras also read a memorial to Spencer Welton, late vice-president of Massachusetts Bonding.

J. Dewey Dorsett, secretary of the company group, introduced five company men who had been elected to presidencies since the last meeting—Mr. Falvey; E. A. Larner, Employers group; J. D. Mahon, New Amsterdam Casualty; Walter D. Owens, U. S. Casualty, and

J. G. Yost, American Bonding.

At the banquet, Wallace Falvey acted as master of ceremonies with the aid of E. G. Lowry, Jr., president General Reinsurance. Mr. Burras, for many years secretary of the agents group, was prevailed upon to sing a couple of Scotch ballads. Governor Dwight Green of Illinois, Ray Murphy and Harold K. Phillips of the company association, and E. B. Ferguson, constituted a barber shop quartette. There was also some professional entertainment, by a concert soloist. C. G. Hallowell, vice-president of Aetna Casualty, and a convention stalwart, was given an impromptu birthday celebration. Mr. Falvey introduced a number of distinguished guests.

One of the nicest affairs of the convention was the cocktail party at which executives of Standard Accident were hosts. This is a firm fixture in the social program of the gathering, and this year it attracted more than ever. Hosts were Ralph H. Platts, president; E. A. Warnica, Paul Wilson, John P. Hacker, and Paul Laymon, vice-presidents; Harold O. White, executive secretary, and James Bayless, Baltimore manager.

Informal Parties

Although this was the only formal function of this kind, there were a number of informal cocktail parties throughout the convention. N. H. Wightman, George O'Brien, and Harry Raymond of Uniform Printing & Supply, held open house; the Home group represented by M. E. Sprague and John Love, had another. At a third, John C. Stott, Norwich, N. Y. president; Frank C. Colridge, executive secretary, and others of the National Assn. of Insurance Agents, were hosts.

George S. Middleton, Chicago, president of the National Assn. of Insurance Brokers, was a guest.

T. W. Earls, Cincinnati, won top honors at golf. His low gross entitles him to have his name engraved on the Miller cup. Prizes for low nets, which consisted of handsome silver pieces, were won by:

Guy T. Warfield, Jr., Baltimore; E. R. Ledbetter, Oklahoma City; Walter Falk, Royal-Liverpool group; Robert V. Alexander, American-Associated Cos.; T. A. Engstrom, Aetna Casualty, Philadelphia; A. L. Peirson and Donald Falvey, Massachusetts Bonding; Paul Laymon and James Bayless, Standard Accident; and A. P. Duffy, E. J. Duffy & Co., New York City. The latter won the guest prize. Arthur Von Thaden, Excess Underwriters, New York, had the high gross score. J. E. Lewis, Aetna Casualty, New York City, was chairman, and Donald Falvey vice-chairman of the golf committee.

The ladies golf tournament, in which 15 participated was won by Mrs. Shepherd Barnes, wife of the Newark agent, with Mrs. Arthur Von Thaden, both of Short Hills, N. J., runner-up. Harold K. Phillips handled the tournament in a very capable manner.

Horseshoe Pitching Popular

The horseshoe pitching contest aroused increased interest and now has become one of the popular features of the convention. It makes an interesting contrast in view of the fact that most of those who attended the convention at the Greenbrier this year dressed for dinner. This year 26 agents and company men participated in the tournament, an all time record, and there was a considerable gallery for the event. Much credit goes to the chairman of the committee, Joseph F. Matthai, executive vice-president of U. S. F. & G. Darrell Johnson, Excess Insurance Co. and Kenneth Force, National Underwriter, constituted the winning team, with Holton R. Price, Jr., St. Louis, and W. J. Christensen of the Loyalty group, as runners-up. The number of prizes was increased this year.

The women's contract bridge tournament was a popular affair since more

wives attended than ever before. There were table prizes. Mrs. H. P. Dunham, wife of the vice-president of American Surety, headed the committee in charge. Leo Ackerman, Miami agent, and Harry Bangs, his casualty manager, were grounded at Charlestown, W. Va., on their way in and taxied the last 115 miles.

Wheaton Williams Speaks

There is no good reason for insurance having been on the defensive during the changes of the past few years, Wheaton A. Williams, president of National Assn. of Cas. & Surety Agents, said in his address. Mr. Williams pointed out that except in a few isolated cases, the record of insurance has been a proud one and that record should be told to the public almost to the point of boastfulness.

The modesty of insurance in keeping its good deeds to itself made the development of a solution to the S.E.U.A. decisions more difficult than was necessary, he said. Insurance needs to cultivate friends at the grass roots instead of appealing officeholders, who are the servants of the taxpayers. He said that privileges will not be taken away by direct vote, but can be frittered away in the interest of expediency and appeasement, and the companies already have lost some of their freedom.

Face Increases Squarely

When the need for increased rates for nearly every type of insurance arrives, this issue must be faced with no attempt to by-pass it by false economies which would lessen obligations to policyholders, Mr. Williams warned. The public will be reasonable about increased charges if they are adequately explained and will be unreasonable if they are sprung at the last minute as has been done in the past. A recent dereliction along these lines was the failure to acquaint the public with the fact that recent automobile casualty premium increases brought the cost of that coverage back only to the prewar charges.

Mr. Williams suggested that the agents be the first line of defense with the companies directing their efforts. He mentioned that the wrong impressions about insurance are carried for the most part by the individual policy buyer, not the large buyer. Mr. Williams recommended that the industry devise a plan to keep the public and legislators informed on the operations of the companies and reasons for changes. Every media available to that end should be employed.

Less Turkey Losses

ST. PAUL—With the Thanksgiving turkey liability out of the way turkey underwriters are looking for a favorable year's experience. Up to the middle of November there had been no serious storms such as have come in this month in recent years when turkey losses were heavy.

The growers have cooperated better this year in providing snow fences and shelters for their birds, reports the Farm Owners Mutual of St. Paul, which writes a heavy turkey business throughout the country. High prices for birds have caused them to do this for their own protection.

Farm Owners insured three and a quarter million turkeys this year. Losses were below normal but the company still carries a considerable liability which will not expire until Dec. 31.

Vogt Addresses Agents

Henry Vogt, National Surety in St. Louis, was guest speaker at meeting of Southeast Missouri Assn. of Insurance Agents. He discussed the comprehensive general liability form. Other guests were John J. O'Toole, president of Missouri Assn. of Insurance Agents, and B. G. Gregory of St. Louis, executive secretary of the Missouri association and manager of the Insurance Board of St. Louis.

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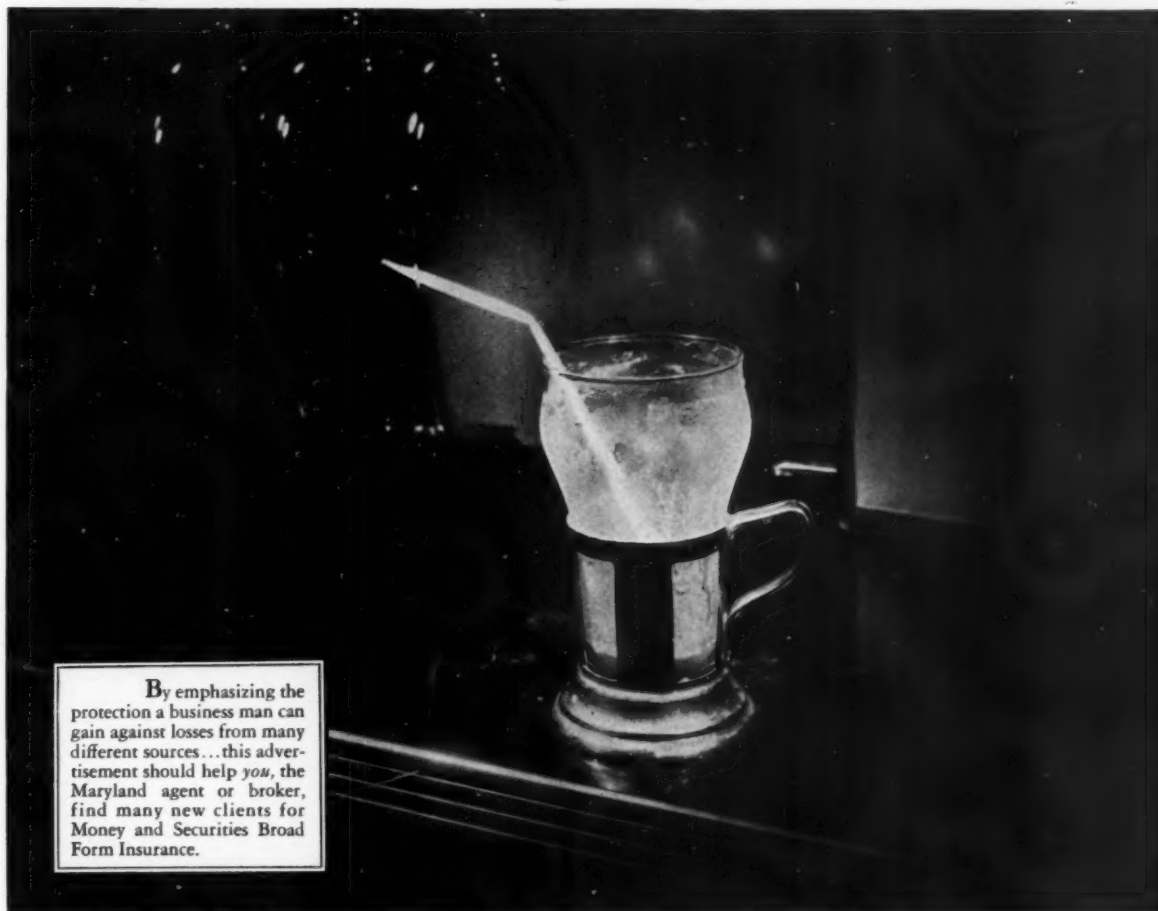
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Insurance

"Unforeseen events . . . need not change and shape the course of man's affairs"



By emphasizing the protection a business man can gain against losses from many different sources . . . this advertisement should help *you*, the Maryland agent or broker, find many new clients for Money and Securities Broad Form Insurance.

\$10,000 DRINK

CARRYING A BANK DEPOSIT, the messenger paused for a soda. It cost him 20 cents—the insurance company \$10,000.

One careless moment, and the money was gone. But the employer was not out of pocket one cent . . . for he had the foresight to be covered by Money and Securities Broad Form Insurance.

Holdup, sneak theft, burglary . . . in many ways money and securities can be lost. Often such assets simply disappear, through no accountable reason. Or they may be de-

stroyed by fire, flood, tornado or other violence.

Money and Securities Broad Form Insurance covers all such losses, and many others. The man with the training and experience to advise you on the amount of Money and Securities Broad Form coverage and other forms of insurance, that your business may require . . . is your Maryland agent or broker.

Remember: Because your Maryland agent knows his business, it's good business for you to know him.



MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

MARYLAND ADVERTISEMENTS APPEAR REGULARLY IN LEADING NATIONAL MAGAZINES

America's Lost Cities..

*25 of them in
twelve months!*

You'd be shocked if you read in your newspaper that 25 American cities had been ruined by fire . . . cities with as many as 25,000 people!

And yet, that's the annual property toll that fire is taking at the present rate of loss in the United States! Fire destroyed or damaged property to the extent of more than \$700,000,000 in the year ended June 30, 1948! This awesome destruction is more than double the loss of 1943.

What's worse, the loss of human lives from this scourge is more than 10,000 annually, not to mention many more thousands of injured.

WHAT CAN BE DONE TO STOP THIS LOSS?

Fire *can* be controlled. While it is impossible to completely eliminate this hazard, there is no doubt that the primary cause is *everyday carelessness*. And that can be decreased by the exercise of care and preventive action.

The economic health of the nation is being seriously undermined by losses in human, physical and natural resources. The businessman and the civic leader should take the lead in reducing the terrific toll. In so doing, he not only will be serving his own in-

terests but those of the country as well.

In the long run, fire insurance rates are based on volume of losses so that care in preventing fire is good economy as well as good sense and good citizenship.

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